Daily Report

East Europe

FBIS-EEU-93-054
Tuesday
23 March 1993

Daily Report
East Europe

FBIS-EEU-93-054 *23 March 1993*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

'Considerable Progress' Reported at New York Talks *[Sarajevo Radio]* 1
FRY Says Croatia Smuggling Weapons, Nuclear Material *[TANJUG]* 1

BULGARIA

Zhelev, Berov Receive Varvitsiotis *[BTA]* 2
Foreign Ministry Holds Consulations With Macedonia *[BTA]* 2
Official Releases Statistics on Land Privatization *[24 CHASA 17 Mar]* 3
Council of Ministers Dismisses Kintex Manager *[BTA]* 3
Report Views Formation of New Faction *[OTECHESTVEN VESTNIK 17 Mar]* 3
DPS Forms Council in Support of Berov Cabinet *[24 CHASA 17 Mar]* 4
BTA Personnel Sign Petition on Indzhev's Behalf *[BTA]* 4

CZECH REPUBLIC

Neo-Nazis Continue To Build Ties Abroad *[Bratislava TV]* 5
Bratinka Discusses EC, President's Policy *[MLADA FRONTA DNES 15 Mar]* 6
Prime Minister Klaus Opposes 'Interim Europe' *[Munich FOCUS 22 Mar]* 7
Klaus: Government Stands Firm on Sudeten German Issue *[CTK]* 8
Slovakia Intends To Export Arms Through Czech Company *[CTK]* 8
Czech, Hungarian Defense Minister Discuss Relations *[CTK]* 8

SLOVAKIA

Meciar Criticizes Czech Stand on Negotiations *[Bratislava TV]* 9
Minister Says Bank To Grant Credit to Enterprises *[CTK]* 9
Banking Council Approves NBS Monetary Policy *[PRAVDA 16 Mar]* 10
Survey Shows 6-Percent Fall in HZDS Popularity *[CTK]* 10

HUNGARY

MPs Visiting U.S. Comment on Meetings *[MTI]* 11
Cooperation Agreement With Czech Republic Planned *[MTI]* 11
Jeszenszky Meets Slovak Counterpart Moravcik *[CTK]* 11
Jeszenszky Receives Croatian Foreign Minister *[MTI]* 12
Current 13.6 Jobless Rate 'Manageable' *[MTI]* 12

POLAND

Privatization Program To Be Resubmitted to Sejm *[Warsaw TVP Television]* 13
No Threat to Poland From Russian Events Seen *[PAP]* 13
Walesa Against Referendum on Fate of Reforms *[PAP]* 13
'Rumor' of Demand for Government Reshuffle Denied *[Warsaw Radio]* 13
Border Security Issues With Eastern Neighbors *[RZECZPOSPOLITA 18 Mar]* 13

ROMANIA

Government Supports Democratic Forces in Russia *[Bucharest Radio]* 15
Iliescu Backs Government Statement *[ROMPRES]* 15
FDSN Issues Communique *[ROMPRES]* 15

PUNR Supports 'Democratic Forces' *[ROMPRES]* 15
FSN, PAC, PDAR Reaction *[ROMPRES]* 16
PNTCD Leader Supports Yeltsin *[Bucharest Radio]* 16
Army Denies Exercises With Moldovans Planned *[Bucharest Radio]* 17
'Meaningful' Dialogue With Ukraine Needed *[ROMANIA LIBERA 16 Mar]* 17
Euronews Has 'Distortions' in Report on Romania *[EVENIMENTUL ZILEI 17 March]* 18
Ways To Ease Effects of Subsidy Cuts Debated *[ROMPRES]* 18
Senate Discusses Domestic Economic Issues *[ROMPRES]* 19
Deputies Ratify Several Trade Accords *[ROMPRES]* 19
Talks Held With OECD Representatives *[ROMPRES]* 19

BOSNIA-HERZEGOVINA

Karadzic Allows UN Flights Between Tuzla, Srebrenica *[TANJUG]* 20
SRNA Alleges Serbs Forced To Stay in Tuzla *[Belgrade Radio]* 20
Morillon Interviewed on Serbs in Tuzla, UN Convoy *[Belgrade TV]* 20
UNPROFOR Commander Against Enforcement of No-Fly Zone *[TANJUG]* 20
U.S. Air Force Continues Aid Airdrops *[TANJUG]* 21
Sarajevo Humanitarian Airlift Remains Suspended *[AFP]* 21
Commentary Condemns Vance-Owen Plan *[LJILJAN 15 Mar]* 21
HVO Arrests of Prominent Officials Causes 'Tension' *[Sarajevo Radio]* 24
Gen. Adzic Allegedly Ordered Ethnic Cleansing *[DELO 23 Feb]* 25

CROATIA

Foreign Minister Discusses Relations With Serbia *[BORBA 17 Mar]* 27
Osijek Court Jails Serb Corporal for War Crimes *[Zagreb Radio]* 27
Agreement on Wages, Workers' Rights Signed *[Zagreb TV]* 28
Croatian Opposition Leader Interviewed *[DELO 20 Feb]* 28
Croatian Power Company Nearing Collapse *[VJESNIK 24 Feb]* 31

SLOVENIA

European Parliament President Conducts Visit *[Ljubljana Radio]* 34
National Party Leader Disputes Borders With Croatia, Italy *[TANJUG]* 34
Chairmen of Assembly Committees Confirmed *[DELO 23 Feb]* 34
Slovenia Becomes World Bank Member *[DELO 26 Feb]* 35
German Foreign Minister Receives Peterle *[DELO 25 Feb]* 36

YUGOSLAVIA

Federal

Government Submits Draft Budget To Parliament *[TANJUG]* 37
Jovanovic Calls For Protection of Serb Defendants *[TANJUG]* 37
Banks Attempt To Get Foreign Money *[POLITIKA 23 Feb]* 37
Savings Bank Depositors Blockade Bank *[POLITIKA 23 Feb]* 38
Operation of New Private Banks Explained *[BORBA 3 Mar]* 38
Causes of Cash Shortage Detailed *[EKONOMSKA POLITIKA 22 Feb]* 39
Private Fashion Firms' Success Confirmed *[EKONOMSKA POLITIKA 22 Feb]* 41
Power Struggle in Krajina Analyzed *[VREME 1 Mar]* 42
War Against Crime, Profiteers in Baranja *[POLITIKA 23 Feb]* 44
Military Court in Banija Against Crime *[POLITIKA 23 Feb]* 45
Meeting of Serbs From Croatia, RSK *[BORBA 3 Mar]* 46

Serbia

SPO Deputy Accuses Seselj of Being Croatian Agent *[BORBA 17 Mar]* 46
Various Private Firms Import Oil, Prices Increasing *[BORBA 18 Mar]* 47
Speculation on Trade Minister's Arrest *[BORBA 3 Mar]* 47
Corruption Continues Despite War on Crime *[BORBA 3 Mar]* 49

Biographic Data on Serbian Fighter Arkan *[DUGA 30 Jan-12 Feb]* 49

Macedonia

President on Danger of War Spreading to Country *[Vienna DER STANDARD 20-21 Mar]* 56

Montenegro

Humanitarian Aid Contains 'Unusable' Medicine *[TANJUG]* 57
Bulatovic on Yugoslav "Reintegration" *[Paris LE QUOTIDIEN DE PARIS 19 Mar]* 57

Kosovo

Serbian Soldiers Reportedly Deployed in Malisevo *[KOSOVA DAILY REPORT]* 58
Police Deport Albanians to Decani *[KOSOVA DAILY REPORT]* 58

'Considerable Progress' Reported at New York Talks

AU2203212693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 22 Mar 93

[Report by Mujo Delibegovic from New York]

[Excerpt] Although there are still issues that need to be defined, it can be said that considerable progress was made at the New York peace talks, especially after yesterday's bilateral meetings between our delegation and U.S. and Russian envoys Reginald Bartholomew and Vitaliy Churkin, as well as meetings of other negotiators among themselves. Our foreign minister, Dr. Haris Silajdzic, told me this today and emphasized that this particularly referred to issues concerning the continuity of state authorities and the status of Sarajevo. The situation is considerably better now, Silajdzic stressed, and talks with the U.S. envoy will continue this afternoon.

As I have reported, Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, and the republican delegation held talks with Russian envoy Vitaliy Churkin yesterday. He suggested to President Izetbegovic and our delegation that they sign the Vance-Owen plan and then demand and expect the support of the international community and guarantees for implementing the plan—that is, more substantial support from the UN Security Council. Our delegation expressed the hope that Russia would influence the Serbian side, which Churkin promised, in a way, by voicing the concern of the Russian Government because Karadzic's side had not observed the agreed upon positions and by saying that he would use his influence to help stop the war.

When we demanded that the arms embargo be abolished, Churkin said that there were no reasons for this and that it would lead to a proliferation of war in the Balkans and elsewhere in Europe. The Bosnia-Herzegovina delegation assessed that the talks were otherwise very useful. The delegation continues to very seriously monitor the situation in the republic and will decide accordingly whether to continue the talks and sign the plan or return home.

We have learned from circles close to our delegation that certain progress has been achieved in the talks with [leader of the Bosnian Croats Mate] Boban—primarily with U.S. envoy Bartholomew—regarding Sarajevo's status and transitional authorities. This could actually signal a movement toward the signing of the plan, which is something that is still too early to talk about right now. [passage omitted]

FRY Says Croatia Smuggling Weapons, Nuclear Material

LD2303021893 Belgrade TANJUG in English 2350 GMT 22 Mar 93

[Text] New York, March 22 (TANJUG)—Croatia's role in smuggling weapons and nuclear material is a threat to international peace and security, said a letter by the government of the Federal Republic of Yugoslavia to the president of the United Nations (U.N.) Security Council which was announced as an official U.N. document on Monday [22 March].

The document lists persons, companies and banks who mediate in securing arms for Croatia. These purchases are said to be paid by counterservices such as storage and smuggling of nuclear technology and material to the middle east through Sibenik, a Croatian port-city on the Adriatic.

The Yugoslav Government indicates to the Security Council that it has reason to suspect that Croatia's plans to store nuclear waste in the regions of Banija, Kordun and other Serb-populated areas which are now protected by the U.N., are partly in connection with Croatia's role in the international ring of smugglers of nuclear material.

The document indicates also that Italian, German and Austrian police findings in the past two years confirm that Croatia is playing a very dangerous role in arms smuggling which could threaten peace in the world.

Zhelev, Berov Receive Varvitsiotis

AU2203194493 Sofia BTA in English 1812 GMT 22 Mar 93

[Text] Sofia, March 22 (BTA)—"Bulgaria and Greece hold absolutely identical views on the problem of the Balkans," Greek National Defense Minister Ioannis Varvitsiotis said today at the end of his three-day visit to Sofia. The Greek defense minister's visit is a new step towards the elimination of ideological confrontation between Bulgaria and Greece, said Bulgarian Defense Minister Valentin Aleksandrov.

Mr. Varvitsiotis was received today by President Zhelyu Zhelev. The sides expressed their satisfaction with the progress of military-political and military-diplomatic relations, the president's spokesman Valentin Stoyanov told BTA after the meeting. Certain differences between and Greece remain over questions concerning Macedonia, but President Zhelev expressed the view that they cannot impede the overall promotion of bilateral relations, Mr. Stoyanov said. The sides expressed the opinion that military relations between Bulgaria and Greece should be specified and extended to confidence-building measures: relocation inland of troops deployed along the common border, exchange of personnel, reciprocal inspection and exchange of information on a regular basis, the president's National security adviser General Stoyan Andreev said later on. The sides agreed on all substantial issues, including the theses that no Balkan country should take part in military operations in the former Yugoslavia, under whatever auspices, General Andreev said.

Mr. Varvitsiotis told Dr. Zhelev that at the forthcoming meeting of North Atlantic Cooperation Council Foreign Ministers, Greece will help Bulgaria send its military representative to the alliance, Defense Minister Valentin Aleksandrov said.

Mr. Varvitsiotis conferred today with Prime Minister Lyuben Berov. The sides reaffirmed their position that even if the UN resolves on military operations in the former Yugoslavia, Balkan countries or states neighboring on Yugoslavia, including Turkey, must under no circumstances commit armed forces to the effort.

Mr. Varvitsiotis raised certain disputes in Greek-Bulgarian relations, to which Prime Minister Berov emphasized that Bulgaria is in favour of fine relations between all Balkan countries, the Government Press Office said.

The Order of the Balkan Range, Second Class, was conferred on Mr. Varvitsiotis by a presidential decree today for his contribution to the establishment and promotion of a new type of relations between the defence ministers and the General Staffs of Bulgaria and Greece.

Before Mr. Varvitsiotis's departure from Bulgaria, the two countries' defence ministers gave a news conference at which they expressed satisfaction with their talks. "During the visit we considered measures for further military cooperation between Bulgaria and Greece," Mr. Varvitsiotis said. "These measures will not be directed against other countries but will help strengthen bilateral relations. Every effort should be made to avoid an armed intervention in ex-Yugoslavia," he emphasized.

"We considered the opportunity of Greek assistance for Bulgaria's integration into individual NATO structures," Mr. Aleksandrov said. He noted that the two countries have reaffirmed their positions in favor of noninterference in the Yugoslav conflict, their renunciation of separate actions for its settlement, and their intention to observe strictly the UN resolutions.

The reporters attending the news conference learnt that Mr. Varvitsiotis has invited Mr. Aleksandrov to visit Greece.

Foreign Ministry Holds Consulations With Macedonia

AU2203213893 Sofia BTA in English 1941 GMT 22 Mar 93

[Text] Sofia, March 22 (BTA)—The foreign ministries of Bulgaria and the Republic of Macedonia opened two-day consultations here today. The Bulgarian delegation is led by Deputy Foreign Minister Dimitur Ikonomov, and the Macedonian delegation is headed by First Deputy Foreign Minister Risto Nikovski.

Meeting the press after today's session, Mr. Ikonomov said the sides had considered the situation in the Balkans and various aspects of the crisis in the former Yugoslavia. Questions concerning bilateral relations will be on the agenda of tomorrow's talks.

For his part, Mr. Nikovski expressed his great satisfaction with the possibility to exchange views in Sofia on bilateral relations and regional developments. "Such talks are important and necessary," he said. Concerning the international recognition of the Republic of Macedonia, Mr. Nikovski stressed the assurance he had received from his hosts that Bulgaria remains committed to its principled and invariable stand on the matter: that the Republic of Macedonia must join the UN and win international recognition as soon as possible.

Asked to comment on the name "former Yugoslav Republic of Yugoslavia," Mr. Nikovski said it was an absurd name which was unfounded and did not mean anything in particular. [sentence as published] The Republic of Macedonia is ready for some compromises, which could help get over certain problems which have arisen around the republic with a view to clearing the way to the UN, he observed.

Official Releases Statistics on Land Privatization

AU2303113893 Sofia 24 CHASA in Bulgarian 17 Mar 93 p 13

[Staff report: "Some 10 Percent of Land Has Been Restored"]

[Text] About 4.5 million decares of land has been returned to its former owners through notary acts. According to Dimitur Dinkov, departmental head at the Ministry of Agriculture, this is about 10 percent of the land that will be returned to private ownership.

The land commissions have issued more than 1.3 million decisions on returning about 40 million decares, although only six of the total 5,000 plans on distributing the land have been completed, experts at the Ministry of Agriculture said. Some 150 plans will be ready by the end of March.

The land commissions have received more than 24,000 objections from physical and judicial persons to decisions on the distribution of land. The Ministry of Agriculture daily receives 200-250 complaints.

Council of Ministers Dismisses Kintex Manager

AU2203194593 Sofia BTA in English 1903 GMT 22 Mar 93

[Text] Sofia, March 22 (BTA)—The Council of Ministers today approved amendments to the ordinance on privatization auctions, making it possible to offer a lot at a reduced price if no bidders come forward.

The effective version of the ordinance made no provisions for lots that remain unbidden for at two successive auctions. According to the amendments adopted today, in this case a third auction is scheduled, at which the opening bid may be reduced by up to 30 per cent one time and then successively by up to 10 per cent, but it may not drop to less than 50 per cent of the original opening bid.

The cabinet today approved two reports on the endorsement of air communications between Bulgaria and Indonesia and between Bulgaria and India.

The government authorized Trade Minister Valentin Karabashev to sign the agreement between Bulgaria and the European Free Trade Association (EFTA) in Geneva on March 29, 1993.

The government today decided to abolish the two-tier management system of Kintex, the well-known Bulgarian arms trade company. To this end, the cabinet dismissed en bloc the company's Supervisory Board and the board's chairman, Mr. Vasil Mikhaylov M.P. [member of parliament] of the SDS [Union of Democratic Forces]. The decision is motivated by the fact that a couple of days ago, the Supervisory Board dismissed en bloc the company's Management Board, a move which the government assessed as "odd." The cabinet elected for a three-year term of office a seven-member Board of Directors of Kintex, chaired by incumbent CEO Anton Saldzhiyski. The ministries of finance, defence, trade and foreign affairs are represented on the board of directors.

Report Views Formation of New Faction

AU2303123593 Sofia OTECHESTVEN VESTNIK in Bulgarian 17 Mar 93 p 1

[Report by Nevena Kopandanova: "A Fifth Force Is Emerging"]

[Text] A fifth parliamentary force is emerging. Ivan Pushkarov, who was expelled from the Union of Democratic Forces [SDS], is already conducting active negotiations on forming it. Aside from him, the faction will probably include Ruslan Semerdzhiev, Svilyana Zakharieva, and Petko Ginev, all of whom are expected to be expelled from the SDS parliamentary faction. This faction of Social Democrats will probably form an alliance with Ludzhev's group. However, the obvious animosity between Pushkarov and the Ludzhev-Michkovski duo (let us not forget who dismissed Mr. Pushkarov from his ministerial post), dooms such an alliance from its very outset. The former minister of industry is striving to form a social democratic center in parliament. For this purpose, he intends to use technical means and attract several members of the New Union for Democracy. Ten deputies are needed to form a new parliamentary faction. Ludzhev has 18. The president's people will hardly deny this favor to Mr. Pushkarov. In this context we must recall that only 15 days ago Dr. Zhelyu Zhelev casually mentioned in Poland that the SDS parliamentary faction would split into three factions.

The possibility exists that Ivan Pushkarov will achieve results in his talks with the Alliance for Social Democracy [OSD] within the Bulgarian Socialist Party [BSP]. The approximately similar social democratic views, at least in the form they were stated, are a theoretically suitable basis for finding a common language. The swarming processes within the OSD will hardly be reflected in the BSP, but they could stimulate it. Ivan Pushkarov does not hide the fact that there are many people within the OSD with whom he would like to work.

The cochairman of the fourth parliamentary faction, Krasimir Naydenov, has frankly admitted that the faction was created to provide Prime Minister Berov with more stable support. The embryonic fifth faction has so far rejected this explanation and claimed that the faction will be formed on the basis of the sole desire to insert the social democratic spirit into the Bulgarian Parliament. However, we must remember that the president's government came to power with the promise to social-democratize the country's management. While this has not materialized so far, it could generate some support on this basis. Undoubtedly, all forces will be directed toward strengthening parliament, and also the cabinet.

which will continue to be convenient until the wheels of privatization begin to turn. Probably then, Berov will admit to the nation that he implemented the task for which he was elected.

DPS Forms Council in Support of Berov Cabinet

AU2303112893 Sofia 24 CHASA in Bulgarian 17 Mar 93 p 3

[Staff report: "DPS Forms Council in Support of Berov"]

[Text] On 16 March, 24 CHASA learned from a well-informed source that the Movement for Rights and Freedoms [DPS] intends to form a council of parliamentary and extraparliamentary parties, parliamentary factions, and public organizations, which will coordinate support for Berov's cabinet.

Osman Oktay, DPS organizational secretary, said that indeed there is the intention to organize broad social support for the cabinet, but its actual implementation has not begun yet.

According to the source, a draft statute that specifies the rules for the council's structure and membership already exists in the provinces. The council will not be a political or electoral coalition. It will aim to expand political, social, and public support for Berov's cabinet. Forming such a council was prompted by the insufficiently stable support the cabinet enjoys.

Reportedly, the council will be led by the leaders of the organizations which will form it, or by people authorized by them. In addition, its activity will be guided by working groups on current issues, determined by general meetings and a permanent technical secretariat. The council is expected to discuss the Council of Ministers' legislative initiatives and specific measures. The possibility is envisaged of inviting cabinet members, whose opinion will be taken into consideration prior to coordinating positions.

Other DPS sources maintain that the idea of forming such a council has not been discussed so far by the DPS Central Council. No document on the statute or membership of such a council exists. However, these sources think that cooperation among local political forces may have already begun.

BTA Personnel Sign Petition on Indzhev's Behalf

AU2203181893 Sofia BTA in English 1738 GMT 22 Mar 93

[Text] Sofia, March 22 (BTA)—Today the petition in defence of BTA Director General Ivo Indzhev, signed in by most journalists and other employees at BTA, was officially handed to the Presidency. About 90 percent of BTA's employees are against Mr. Indzhev's dismissal.

It is insisted in an open letter to the head of state that the Bulgarian News Agency remain a national institution beyond the control of changing governments. The representatives of BTA confirmed at today's meeting at the Presidency representatives that the BTA employees would not accept any manager forced upon them and would defend the independence of the news agency.

Representatives of the signers expect to be received by President Zhelyu Zhelev tomorrow.

A request for a meeting with a BTA delegation was filed with the office of Prime Minister Lyuben Berov too.

The 24 CHASA daily reported the cabinet's intention to dismiss Mr. Indzhev last Wednesday [17 March]. On the evening of the same day, after a meeting with leaders of the parliamentary groups, Prime Minister Berov said that Ivo Indzhev would be dismissed on the following day. On Thursday, March 18, the Council of Ministers did not have enough time to discuss all items on its agenda and decided to discuss Mr. Indzhev's dismissal on Monday, March 22. However, the dismissal of Mr. Indzhev was not on the agenda today.

Neo-Nazis Continue To Build Ties Abroad

LD2203180893 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 22 Mar 93

["Exclusive" interview with Czech Prime Minister Vaclav Klaus with correspondents Magda Pospisilova and Lubomir Lintner; place not given; on "Saturday"—Klaus in Czech, correspondents in Slovak—recorded]

[Text] [Lintner] When you announced your cabinet's decision to freeze the transfer of shares to [Slovak] investment coupon holders until property relations between the two republics are settled, you remarked that this was the first move in a chess game. The adjective you used described it as a risky game. Prime Minister, I would like to ask you: Where do you think the risk lies and why have you opted for a risky game?

[Klaus] First, I would like to say that the comparison to a chess game is rather an exaggeration. Journalists questioned me about what would happen next and so on, and I replied that I often use chess game comparisons and that a chess player should not spoil his next move with the present one. I personally would not dramatize the chess game comparison. As for the thoughts, which I heard, that in the past I always spoke about partners, while now I started speaking about opponents in a chess game... [sentence unfinished as heard] Well, taking such thoughts any further appears quite unnecessary to me.

You see, I would not even term our subtle, delicate—very delicate—move as a freeze. I would not mention risky games, either. What had to be done was to simply provide some kind of a signal because the Slovak side is dragging its feet in its approach to concluding an agreement on property settlement. And after all, what is at issue is not settling property relations, but to first of all conclude a property settlement agreement. I truly do not like to say this, but the agreement was drawn up and in fact signed, or rather initialled, by both Finance Ministers Toth and Kocarnik, before Christmas. On the 27th [December 1992], when I traveled to Bratislava for a television roundtable with Mr. Meciar, I genuinely thought it would be signed. I offered to stay the night there and to work with him on the 28th, which was a working day, so that we could sign this agreement on the 28th. The fact that this was not achieved over the last three months is a terrible disappointment for me.

Thus, what is at issue is not a settlement. A property settlement will take some time and the Slovak side will be unable to carry out this task overnight. No one wants Slovakia to settle its banking debts tomorrow. The only thing we are seeking is to conclude an agreement on this issue.

[Pospisilova] Tomas Jezek, chairman of the National Assets Fund, said, however, that a mere guideline would not produce a required effect on this matter, and if we were serious, then this would be a tactic of self-destruction. Do you support this view?

[Klaus] Only some individuals made pronouncements of this kind. The government clearly stipulated that its action was a clearer signal for the Slovak side of its intention to immediately open negotiations and sign agreements. I hoped that this could be a signal for immediate talks. Let's not turn this issue into something worse and even more dramatic. I think that there is no need for it, that there is truly no need to do that. But what we do need is to negotiate. I would like to tell the Slovak side that the property commission talks, which were being prepared and then put off for some time, took place in Prague last Wednesday, on 10 March. You see, we have spent a long time preparing ourselves for these talks. Our finance minister and other [cabinet] members are ready for the talks. That's the day of the government [as heard].

It is very depressing for us when Minister Kocarnik learns on the telephone from the Slovak finance minister at lunchtime that yes, we are on our way to you, but we will not be able to discuss everything because one of my departmental colleagues has some of the agreements in his possession. As this colleague is away now, we will not be able to discuss these agreements. Pardon me for saying so, but this is frustrating information for us. We have been waiting for these talks, and we were hoping that something might come of them, and so to say that 50 percent of the agreements got lost somewhere in the office and hence they could not be negotiated is annoying, and it is a pity that people behave like this.

[Pospisilova] If a decision to issue shares to all Czech and Slovak investors is not be made on Monday [22 March], it will be impossible to stick to the date of 29 March, which was initially set as a start for issuing the shares. The Computer Technology Company [Podnik vypoctovej techniky], which provides the technical aspect of the share issue, must know on Monday whether or not it should carry on according to the set work schedule. But the Coupon Privatization Center, which should give this instruction, has no guideline from the Czech Government yet. Are you going to give this guideline to the Coupon Privatization Center on Monday?

[Klaus] Let's make matters clear, if you please. The Czech Government issued an guideline at its session on Wednesday. The Czech Government will not have to issue another new instruction.

[Pospisilova] The head of the Coupon Privatization Center said so in today's, Saturday newspapers.

[Klaus] Oh, no, no. It is evidently imprecise wording or something. Nothing like this happened. The Czech Government has issued this guideline, and it will hold no meeting until next week.

[Lintner] Prime Minister, in our conversation, we have hinted at a certain package of topical issues. You said that the Slovak prime minister had very narrow maneuvering space at present. All the same, what is your

forecast for the immediate future? Will the governments, or perhaps the prime ministers meet?

[Klaus] I must admit that I have not received from the Slovak Government the well-publicized letter yet. This letter should be a response to our letter. I know that the Slovak Government discussed this issue on Thursday night. The communications are so bad that my office spent the whole of Friday telephoning and was unable to get through to, or get in touch with any senior official in the Slovak Government office. Both the prime minister and the director of his secretariat were away from Bratislava.

And thus, there was no one with which to communicate. If I were to look for Slovak Ambassador Mjartan, I would be unable to locate him. I, the little nothing, the prime minister of the Czech Republic, can spend a whole day looking and still be unable to locate the whereabouts of the Slovak ambassador to Prague. These are depressing factors that unfortunately compel us to take the steps I took recently. And so, as soon as I have received the letter from the Slovak Government, I will very carefully study it. I hope it will contain a proposal for talks. My own letter spoke of my immediate willingness to sign the agreements or start discussing them. I expect the same from the Slovak side.

Bratinka Discusses EC, President's Policy

AU1803081693 Prague MLADA FRONTA DNES in Czech 15 Mar 93 pp 1, 2

[Interview with Deputy Foreign Minister Pavel Bratinka by Tomas Klvana; place and date not given: "Pavel Bratinka Thinks Europe Is Dealing Insensitively With the Czech Republic"]

[Text] Prague—Pavel Bratinka, deputy foreign minister and Civic Democratic Alliance [ODA] deputy chairman, is of the opinion that the European Community is dealing insensitively with the Czech Republic. "Practical policy is based on support for those who act in harmony with our interests. It is necessary to reward them. At the moment, we cannot see that the EC would behave in such a way toward us," said Pavel Bratinka in an interview for MLADA FRONTA DNES. For example, a supplementary clause on human rights is to be inserted into the European Community's association agreement with the Czech Republic.

[Klvana] In the wake of Foreign Minister Josef Zieleniec's visit to Brussels and EC Commissioner Sir Leon Brittan's visit to Prague, what stage has the dialogue on this agreement reached?

[Bratinka] The EC Commission must obtain a negotiation mandate from the Council of Ministers, which has decisionmaking powers. When we know the exact wording of the new text of the agreement, then we will find out to what extent we were successful. The negotiations will then follow. Another important issue will be the negotiations on the quotas for our steel exports. Sir Leon Brittan very much favors substantially increasing these quotas.

[Klvana] Do you think Sir Leon's enthusiasm regarding these quotas will bear fruit?

[Bratinka] We have to bang on doors here. Sadly, all our attention was devoted to the unfortunate breakup of the Federation. This was manifested in the intensity of our crusade to Brussels.

[Klvana] If I were to express a pessimistic point of view on the possibility of removing the human rights clause from the association agreement, would you endorse it?

[Bratinka] We will endeavor to make sure that the expanded agreement takes into consideration the fact that the Czech Republic is a signatory to a number of international treaties on human rights. If it contains a reference to the fact that adhering to human rights is part of our European identity and that the Czech Republic fully acknowledges this, then it will not bother us. It will merely be annoying for us by virtue of the fact that we had hoped to be the political heirs of the treaty with the CSFR. The Czech Republic did not want Czechoslovakia to break up. If we acceded to this, it was only to preserve the peace in Central Europe.

[Klvana] A more or less concealed manifestation of opposition to the government's foreign policy has been discernible in recent weeks in some of President Havel's statements. What is the latest development between Prague Castle and the Cernin Palace?

[Bratinka] Let me emphasize that I am answering you as ODA deputy chairman. To us, the president is important as a person and as an institution. He is known as someone who stresses the moral aspect of human activity. I understand his statements. On the other hand, the Foreign Ministry—and I am now commenting from the outside as ODA deputy chairman—must represent the moral average and resolve of all Czech citizens. For example, I am convinced that in our country 3 percent of the men would be willing to go to Bosnia and fight to protect the women and children there. Their male honor does not allow them to take bestiality lying down. Then, there is another 1 percent who would support the government and go to the former Yugoslavia to fight if it so decided. There is also a third group of citizens who simply do not care. It is appropriate that the president should speak on behalf of the nation's 3-percent elite. However, the Foreign Ministry's policy has to have a lower common denominator. It would be another matter—and I hope it never happens—if the president were to attack the ministry for acting immorally if it does not only act in accordance with the highest principles. The president has the right to speak on behalf of the elite, but he must do so tactfully so as not to belittle the not so elite.

Then there are issues that, no matter how nobly intended, may arouse very dark forces. When the president says he is going somewhere to discuss the Sudeten German problem, this could deal a blow to the Czech Republic's foreign policy. On this issue, the president's agenda should be coordinated with our foreign policy interests.

Prime Minister Klaus Opposes 'Interim Europe'

AU2203201193 Munich FOCUS in German 22 Mar 93 pp 158-159

[Interview with Prime Minister Vaclav Klaus by Caroline Mascher in Prague; date not given: "We Cannot Pay Any Price"]

[Text] [Mascher] Mr. Prime Minister, your policy is aimed at the Czech Republic's speedy acceptance into the EC. How do you hope to achieve that?

[Klaus] We want to be a normal European country. The faster we are admitted into the EC, the better. However, we know that we must do everything to be prepared for that.

[Mascher] In the Czech steel industry, the number of working people is to be reduced from 128,000 to 50,000. The German steel industry is also in a crisis; there is even talk about protective customs duties against imports from the East. Is this the price you have to pay for EC membership?

[Klaus] We cannot pay any price; we have already paid too much. In this situation, I expect that we find open markets in West Europe and not markets supported by protectionism. We have lost our markets in East Europe and in the former Soviet Union. We have found new ones, but we cannot handle any further shocks.

[Mascher] Where are the new markets?

[Klaus] In West Europe—there is no other possibility.

[Mascher] Bonn supports the Czech EC membership. Will you, in turn, support Germany on the asylum issue?

[Klaus] We understand that the German asylum regulation is very liberal and that Bonn is trying to tighten these regulations. However, our precondition is clear: The change must be directed against Czech interests.

[Mascher] How can you, for your part, make the borders in the East more secure?

[Klaus] We must strengthen our borders with Slovakia. We have changed our idea since that of autumn 1992 that the border could be a specific one [spezifisch]. We are now preparing the changes in cooperation with Slovakia. We must establish a normal border just like with other countries.

[Mascher] In 1991, the Visegrad group—Hungary, Poland, and the former Czechoslovakia—agreed on some sort of interim Europe; in December 1992, they agreed on forming a free trade zone. However, you have repeatedly opposed the agreements.

[Klaus] A strong, institutionalized integration in Central and East Europe is an artificial entity without natural roots. We want to closely cooperate with our neighbors, but not any differently than with our other neighbors. We lived in an irrational body—CEMA—for 40 years. We absolutely do not want to create a new institution. Coordination yes, meeting in the spirit of the G-7, yes—but no rules and no secretariat.

The quarrel about Visegrad also has an ideological core. The institutionalization of Visegrad means more interventionism for me. The opponents believe in a free market economy. Two standpoints are now facing each other in the world and also in East Europe: state paternalism and bureaucracy on the one hand, and free market systems on the other.

[Mascher] Thus, you are turning away from the idea of Central Europe as it was conjured up during the time of oppression as a delineation from the Soviet Union?

[Klaus] We do not want to be a bridge between East and West. Munich and Vienna, as well as Prague, belong to Central Europe and they do certainly more so than the eastern regions of Hungary and Poland. Why should we establish a Central Europe without Germany and Austria?

[Mascher] What makes you so optimistic that you will achieve the Western standard in a few years? The big privatization has not yet been concluded.

[Klaus] Social transformation has already made good progress in our country; the low point has been overcome. We have taken the most important steps and now we must stabilize and conclude them. This includes the big privatization. The first wave of privatization was implemented very quickly compared with other countries.

[Mascher] You are often accused of having accelerated the separation from Slovakia....

[Klaus] The interpretation that we deliberately brought about separation is wrong. I was the only Czech politician who made an election campaign in Slovakia. In this respect, I have a clear conscience. My wife is Slovak and she supported me at the elections. Unfortunately, the mood was against us.

[Mascher] Are you not afraid that the Czech economy might be pulled into the crisis in Slovakia?

[Klaus] We will feel the difficulties. We expect a decline of foreign trade between the two countries by 20, 30, or even 40 percent. The interrelationship between trade and economic growth is dramatic: 10 percent of decline in foreign trade means 1 percent of decline in the gross national product for us and 2 percent for Slovakia. Thus, it is in our interest that Slovakia recovers.

[Mascher] Both countries want to get into the EC. Could the gap between the two delay the Czech Republic's acceptance into the EC?

[Klaus] I expect difficulties, but I am optimistic for the long term. Slovakia has joined in all important steps of transformation. Regarding EC membership, I cannot make any forecasts, but I am against the division into groups. The countries are very different. We must oppose simplification. Our political and economic system is already at the level of Western democracies. Our standard of living is lower, but in two or three years we will be a normal European country.

Klaus: Government Stands Firm on Sudeten German Issue

LD2203161693 Prague CTK in English 1544 GMT 22 Mar 93

[Text] Munich, March 22 (CTK)—The Czech Republic has not made any pledge to open talks with Sudeten Germans, but does want to explain to them the position of the Czech Government, Czech Premier Vaclav Klaus told journalists at the start of his official two-day visit to Germany today.

Klaus met here with Bavarian Minister-President Max Streibl, who said that his government supported discussions between the Czech Republic and Sudeten Germans on the Germans' property claims. Klaus said that the unequivocal position of the Czech Government was that no restitution or compensation claims from before February 25, 1948 would be considered. [passage indistinct]

Slovakia Intends To Export Arms Through Czech Company

AU2203124793 Prague CTK in English 1309 GMT 18 Mar 93

[Text] Prague, March 18 (CTK)—The Slovak Defense Ministry is interested in importing and exporting weapons through the Czech Omnipol company, the head of the Omnipol General Director's Secretariat Antonin Tomecek confirmed to CTK today.

He said that a Slovak Defense Ministry representative visited the company on March 5 to discuss the possibilities of foreign trade operations aimed at ensuring Slovakia's defense capability.

In this sense the question of arms exports and imports was discussed with the Slovaks, Tomecek said, adding that no specific agreements had been signed.

According to him, the Slovak ministry is aware of Omnipol's commercial capacity and seeks contacts to improve Slovakia's defense.

If there exist objections in Slovakia to the Slovak ministry's partner being a Czech company, that is another matter. We are able to ensure all relations which observing both Czech and Slovak laws, Tomecek said.

An explanation of the affair was demanded from Slovak Defense Minister Imrich Andrejcak by deputy Vladimir Miskovsky from the Slovak National Party (SNS) in the Slovak parliament Wednesday [17 March].

Claiming that the Slovak ministry's representatives had visited Omnipol to discuss possible sales of Slovak weapons and ammunition, Miskovsky said that it was hardly the defense of economic and other interests of Slovakia if such a sensitive field was actually offered to a foreign firm.

Czech, Hungarian Defense Minister Discuss Relations

LD2203182693 Prague CTK in English 1748 GMT 22 Mar 93

[Text] Prague, March 22 (CTK)—Relations between the Czech and Hungarian Armies are conflict-free, Czech Defence Minister Antonin Baudys said today at a joint press conference with his Hungarian counterpart Lajos Fur at the close of his one-day visit to the Czech Republic.

The Czech Republic and Hungary hold similar views on the situation in ex-Yugoslavia and Russia, and on their relationships to the Visegrad Group comprising the Czech and Slovak Republics, Hungary and Poland, NATO, and the West European Union (WEU), Baudys said.

Fur said Hungary is watching the current crisis in Russia very closely as all that is going on over there might have decisive meaning for Hungary from many viewpoints. Fur voiced the hope that the developments in Russia will not threaten Hungary on its way to democracy.

Fur said that very limited material resources prevent Hungary and the Czech Republic from expanding cooperation in the development and production of military equipment.

Baudys said the defence ministers from the Visegrad member countries are likely to hold separate talks within the forthcoming session of the North Atlantic Cooperation Council (NACC) in Brussels. He said the talks are likely to focus on the situation in the former Yugoslavia.

Baudys expressed the view that the Visegrad member states should agree on similar approaches concerning solving the situation in ex-Yugoslavia and Russia, and on an identical attitude to NATO and the WEU.

Meciar Criticizes Czech Stand on Negotiations

LD2203155393 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 22 Mar 93

[Excerpts] After the shocking announcement addressed to Slovak investment coupon holders to the effect that Prime Minister Vaclav Klaus's government will suspend the issue of their shares, no one in Slovakia believes any more that relations between young Slovakia and young Czechia [Cesko] will develop without problems. Let us first take a look at how Slovak Prime Minister Meciar sees the whole situation:

[Begin Meciar recording] When our predecessors here in Slovakia were earmarking certain property to be privatized it was agreed that the ratio would be that of 2:1 [in favor of the Czech Republic], in a proportion similar to that of citizens' claims. It was also agreed that the parity of the two sides' interests would be preserved.

The Slovak Republic has invested a certain amount of property. This was not accepted though by the Czech Republic since the Czech side lacked a countervalue in that amount and it asked the Slovak side to reduce its share by the same amount. [sentence as heard] That was the objective truth.

Based on the above the Slovak Republic decreased its share to bring it in harmony with the 2:1 ratio in favor of the Czech side.

The Czech side decided to allow Slovaks to take part in property owning, regardless of the division of state. The Czech side did so consciously and in accordance with the law. This property is private property today. It is the property of private persons. Therefore, no party and no government can demand that the property of private persons be blocked and linked to state obligations. Even less so when the controversy with regard to the liabilities between us is not linked solely to the banks. The Slovak side claims receivables, which the Czech side is not willing to acknowledge. Thus, the situation is uncertain, it is not cetain when the agreements will be effected. It is not clear when the settlement and the mutual honoring of the obligations will take place.

At the same time it is immoral for the Czech side to require that the Slovak side return [to the Czech side] the private property of citizens of the Slovak Republic because then, logically, we would have to require the repayment to our side of the property of Czech subjects. We are not going to do that.

In view of the above the Slovak Government decided not to repeat the steps taken by the Czech Government. The approach toward investment coupon holders in Slovakia will not mirror the approach taken by the Czech Government since the latter represents a violation of international law, disrespect to citizens due to their belonging to a certain nation, and it means making them slaves of the state's obligations through their property. This is unprecedented anywhere in the world. [passage omitted]

As for the issues related to Czech-Slovak relations, we confirm again that there is willingness on the Slovak side to go halfway. This, however, cannot be perceived as a unilateral process—we will tell you and you will nod in approval. We will not nod. Too much is at stake.

For example, when we talked about the state bank deficit, it was estimated at 17 billion [korunas] at the end of the year [1992]. It seemed to us that this estimate was exaggerated—eventually the deficit turned out to be 24 billion [korunas]. How did it come about?

When speaking about the Federation going into the red and when strange things happen we want to know why. How could it have happened? If the Czech Electrotechnical Works' state bank account shows a 7 billion koruna loan, why should the Slovaks repay 2.5 billion of that when not a single halier of it went into investments in Slovakia?

These are the questions that are being discussed. The discussion is going to last a long time. We have to see the other side of the matter as well. It is indisputable that 20 tonnes of gold belong to us. Where are the keys to it? One is held by the Slovak side and the other by the Czech side. The Czech side has not given us their key yet.

Our right to be paid for gas deliveries is indisputable but still there are no payments being effected although a 100 percent service is being provided.

Our interest in the development of economic relations is indisputable but still a system of border controls is being implemented on the border and that slows down these relations, imposes administrative limitations on them. Our interest in the free movement of citizens is indisputable but still the talk is about introducing a different system on the border.

It is beyond any doubt that we are interested in tackling other important relations between us, for example the property settlement, etc. All of this is being accepted by the Czech side in a negative manner. I fear that the forces which, during the talks with Mr. Klaus, became radical or even ultraradical on relations between Czechs and Slovaks, might win the upper hand. Even if they succeed in doing so I hope that it will not happen for a long time. I hope that the interests of both states and th interests of the citizens will after some time overcome these forces. [end recording]

Minister Says Bank To Grant Credit to Enterprises

LD1903210093 Prague CTK in English 1930 GMT 19 Mar 93

[Text] Bratislava, March 19 (CTK)—The Slovak National Bank (SNB) will earmark 8 billion Slovak crowns in credits for enterprises, and further amounts are prepared for farmers and for small and medium-size businesses, new Slovak Economics Minister Jaroslav Kubecka told journalists today.

But he did not specify when the credits would start to be granted.

Kubecka was appointed as economics minister by Slovak President Michal Kovac today to replace Ludovit Cernak, chairman of the Slovak National Party (SNS), who resigned last night. His resignation came in protest to the appointment on Tuesday of Imrich Andrejcak as Slovak defence minister. The SNS objects to Andrejcak's appointment to the post because he served as a high-ranking military official under the communist regime, and is calling instead for the appointment of a civilian to the post.

Kubecka said the decision to grant the credits was one of the results of the four-day session of Slovak economics ministers in Stara Tura, west Slovakia, at the beginning of March at which they agreed that Slovak society will be market-orientated while social and environmental aspects would not be neglected.

I am not indifferent to the future of Slovakia. Dozens of our enterprises are collapsing, 80 to 90 of them are ready for liquidation. All this affects thousands of families and this must be realised, he stressed.

Banking Council Approves NBS Monetary Policy

AU1903200293 Bratislava PRAVDA in Slovak 16 Mar 93 p 3

[TA SR report: "For a Neutral Monetary Policy"]

[Text] Bratislava—Based on well-founded calculations, the National Bank of Slovakia [NBS] Banking Council has decided on such a development in monetary proportions that corresponds to a neutral monetary policy and helps the Slovak economy to financially recuperate. The monetary program for this year—with a particular emphasis on its implementation in the second quarter—which the NBS Banking Council adopted in its session yesterday, assumes an annual 12-percent growth of the monetary reserves and a second-quarter increase in the volume of credits to enterprises and households in the amount of approximately 8.25 billion Slovak korunas [Sk].

According to yesterday's NBS talks, however, such a monetary development is subject to the stabilization of foreign currency reserves, favorable developments in economic figures, and the rate of inflation.

The Banking Council agrees with the measures the SNB undertakes in the sphere of foreign currency reserves, including the exceptions to these measures. It expressed its approval of the implementation of the exchange-rate policy with respect to the convertible currencies, particularly to the ECU [European Currency Unit]. The Banking Council expects that measures to foster desirable developments in foreign currency reserves will also be adopted by other institutions and that the activity in the sphere of inflow of foreign capital and credits will rise substantially.

The Banking Council entrusted the NBS director with the task of closely following the balance of payments, analyzing interest rates and the system of setting the rate of the Slovak koruna with respect to convertible currencies, and drafting appropriate measures based on the results. The council also dealt with the minting of special-occasion silver coins this year and the issue of circulation coins in the denominations of Sk1, Sk2, and Sk5 by 30 April 1993.

Yesterday, the NBS Banking Council members met with a technical commission of the IMF that is starting its working visit in the Slovak Republic as specified in the agreements between the NBS and the IMF.

Survey Shows 6-Percent Fall in HZDS Popularity

AU2203141393 Prague CTK in English 1820 GMT 18 Mar 93

[Text] Bratislava, March 18 (CTK)—A poll taken in February says that only 18 percent of Slovak citizens favor the Movement for a Democratic Slovakia (HZDS), down 6 percent from the January level.

The poll, taken by the Slovak Statistical Office, involved 1,268 Slovak citizens and took place from February 18 to 28.

By the same token, the number of respondents who do not prefer any particular party has gone up by 5 percent to 36 percent.

The Party of the Democratic Left (SDL) came second with 14 percent, with the Slovak National Party (SNS) running third both kept their January ratings. The Christian Democratic Movement (KDH) was picked out by 7 percent of the respondents (8 percent in January) and the Green Party by 4 percent (3 percent in January). A 2 percent support went to Egyutteles (3 percent in January), the Social Democratic Party of Slovakia (SDSS) (no change on January), the Hungarian Christian Democratic Movement (MKDH) (1 percent in January) and the Democratic Party (DS) (1 percent in January). The remaining 2 percent of the respondents (3 percent in January) preferred other parties.

MPs Visiting U.S. Comment on Meetings

LD2303104793 Budapest MTI in English 0744 GMT 23 Mar 93

[Text] Washington, March 23 (MTI)—Three MPs [members of parliament] of the opposition Federation of Young Democrats (FYD)—Zsuzsa Szelenyi, Kalman Mizsei and Jozsef Szajer—are scheduled to meet senior officials of the International Monetary Fund and the State Department in Washington today. The Young Democrats are staying in the USA on an official visit.

On Monday, they met Jennone Walker, head of department at the National Security Council of the White House, who spoke in terms of appreciation about Hungary's foreign policy efforts to develop cooperation in east central Europe.

A senior foreign policy advisor to the Clinton administration, Walker was well-informed about the issues of Hungary and other countries in the region, including minority affairs, Szelenyi told MTI. The adviser welcomed the various forms of cooperation in east central Europe, such as the Visegrad Group, the Central European Initiative and the Carpathian Euroregion.

The Young Democrats gave briefs on the situation of Hungarian minorities, with special regard to the future of the Hungarian Minority in Vojvodina. Discussing security issues, the MPs said Hungary would like to see its cooperation with NATO go beyond the North Atlantic Cooperation Council. The sides agreed that until then the consolidation of democratic order, and regional and bilateral cooperation could guarantee security in east central Europe.

The US Administration has an interest in upgrading the work of the CSCE. It presses for intensifying the practical work of the CSCE and involving non-governmental organizations in it rather than setting up new institutions, Walker told the MPs.

The Young Democrats met Claiborne Pell, chairman of the Senate's Foreign Affairs Committee.

On Sunday, they met Minister [title as recieved] Madeleine Albright, UN representative of the United States. They informed the Czech-born politician on the situation and problems of the Hungarian minorities and the issue of Gabcikovo water barrage. Albright assured her negotiating partners that the Clinton administration would follow with attention the situation of the east central European countries in a differentiated manner. Beside European integration, the USA considers it important for them to cooperate with one another within the Visegrad group and the central European initiative, Albright said.

Cooperation Agreement With Czech Republic Planned

LD2203172393 Budapest MTI in English 1657 GMT 22 Mar 93

[Text] Prague, March 22 (MTI)—"Hungary is following developments in Russia keenly. These could decide our country's future. I hope these events will not damage the chances of democracy in Russia," Hungarian Minister of Defence Lajos Fur said in Prague on Monday.

Fur is on a one-day visit to the Czech capital and had talks with Czech Minister of Defence Antonin Baudys.

Following the talks, Baudys said they had exchanged views on European security, and their views were "practically identical".

The Czech minister of defence saw the meeting as very useful, and said the two sides had declared they would take over all joint defence obligations between Hungary and the former Czechoslovakia.

"We shall conclude a cooperation agreement with the Republic of Hungary in the very near future," the Czech defence minister said.

Baudys stressed there were no points of conflict in his talks with Fur, a good basis not merely for bilateral cooperation, but also to support stability in this part of Europe.

Jeszenszky Meets Slovak Counterpart Moravcik

LD2303094093 Prague CTK in English 0826 GMT 23 Mar 93

[Text] Budapest March 23 (CTK correspondent)—Hungarian Foreign Minister Geza Jeszenszky met with his Slovak counterpart Jozef Moravcik last night to discuss current problems of the two countries' relations, mainly those concerning the Gabcikovo waterworks on the Danube.

On his first foreign trip after his appointment as head of Slovak diplomacy last Friday, Moravcik is attending in Budapest a meeting of the Central Euroepan Initiative (CEI) countries' foreign ministers (March 22-23).

CTK has learned that Moravcik told Jeszensky that the Slovak Cabinet would not discuss the Gabcikovo issue this week as originally planned, but only next week. The negotiations of experts are going on and Bratislava believes that the request, which the two (Slovak and Hungarian) sides intend to lodge jointly with the Hague-based International Court of Justice, can be signed within ten days.

Moravcik assured his Hungarian counterpart that his replacement of Milan Knazko last week as foreign minister would not mean any change in the Slovak policy towards Budapest.

Czech Foreign Minister Josef Zieleniec, also attending the CEI deliberations, is to meet with Moravcik and Jeszenszky this afternoon to discuss current Czech-Slovak and Czech-Hungarian bilateral questions, Zieleniec told CTK. Moravcik will also hold unofficial talks with his partners.

Jeszenszky Receives Croatian Foreign Minister

LD2203205493 Budapest MTI in English 1844 GMT 22 Mar 93

[Text] Budapest, March 22 (MTI)—Hungarian Foreign Minister Geza Jeszenszky on Tuesday [as received] held talks with Croatian Foreign Minister Zdenko Skrabalo, who is in Budapest to attend the foreign ministerial conference of the Central European Initiative to open in Budapest on Tuesday.

They discussed the current south Slav conflict, and Hungarian-Croatian cooperation. The Croats reported their efforts to prolong UNPROFOR's [UN Protection Force] mandate in Croatia, and to strengthen its work.

Skrabalo assured his support for the Hungarian proposal to organise teaching in the Hungarian language for children of ethnic Hungarian refugees driven away from the occupied Baranya in Croatia and now staying in Osijek and its vicinity. The Hungarian side will provide assistance for this.

Current 13.6 Jobless Rate 'Manageable'

AU2303112093 Budapest MTI in English 1747 GMT 19 Mar 93

[Text] Budapest, 19 March (MTI)—At present, there are 705,000 registered unemployed in Hungary, putting the rate of unemployment at 13.6 percent, and a further 80,000 people have lost eligibility for unemployment benefits, Labor Minister Gyula Kiss told the government spokesman's briefing in Budapest today [19 March].

The government discussed the employment policy scheme and adopted the relevant report from the Labor Ministry at its session on Thursday evening.

Beginning in 1990, the number of jobless people has been continuously increasing. Recently, the rate of increase has slowed. In December 1990, 80,000 people were registered, compared to 406,000 a year later, 660,000 in late 1992, and 705,000 at the end of this February.

The unemployment rate is high, but manageable, the minister said. The annual 120 billion forints derived from the central budget and workers' contributions suffices to handle unemployment at 14-15 percent, but over this rate, major financial problems are likely to occur.

Answering a question, the minister said that this year an additional 300,000 people would become ineligible for benefits, for whom the local authorities have to provide from a social welfare allocation of 4.5 billion forints earmarked for this purpose.

Kiss thought unemployment would probably affect Hungary's economy for several decades, even if a boom began in the meantime.

Employment policy in 1993-94 will focus on the handling of regional crises.

Privatization Program To Be Resubmitted to Sejm

LD2203192293 Warsaw TVP Television First Program Network in Polish 1830 GMT 22 Mar 93

[Text] The program of mass privatization, rejected by the Sejm last Thursday, will be submitted to parliament again with amendments. The decision has been made unanimously by the Council of Ministers.

[Begin Prime Minister Hanna Suchocka recording] After the Thursday vote in the Sejm, I received many messages with a question: what is going to happen to the mass privatization program? Particularly concerned are enterprises, which were to be included in the program. I think that the concern is understandable. Naturally, the government is not going to leave the enterprises alone, as one simply cannot allow the reforms to be abandoned as the result of political games. So far, the parliament's decision has not ruled out the reforms definitively.

This is, however, a certain warning signal, but we cannot let political ambitions decide on economic changes important to all of society. So, what the government is going to do? First of all, the government is going to submit to the Sejm a new draft of mass privatization, which, in its basic framework will be consistent with the previous program. At the same time, within the limit of the law and as far as the existing law permits, we are going to carry on with privatization in the enterprises, so the process will not be slowed down. [end recording]

No Threat to Poland From Russian Events Seen

LD2203163693 Warsaw PAP in English 1610 GMT 22 Mar 93

[Text] Warsaw, March 22—Commenting on the latest steps by Russian President Boris Yeltsin, President Lech Walesa on Monday said that "this is Russia's internal affair."

Asked by journalists in the Belweder Palace to size up the developments in Moscow, Walesa said:

"A country can be reformed by a permanently working parliament, jointly, and this can be done with a greater participation of the president," said Walesa. In his opinion, there is a need for "a good and well chosen president in the period of transition that former communist states are now in. Such a president should be given opportunities, including (power to issue) decrees, to fill in legal and administrative gap between the old and the new system.

Answering a question about threats to Poland carried by the worsening situation in Russia, Walesa answered that not everything could be predicted. But he added that as regards these questions that could be predicted, the authorities would see to this that nothing wrong would happen in Poland.

Walesa Against Referendum on Fate of Reforms

LD2203142193 Warsaw PAP in English 1407 GMT 22 Mar 93

[Text] Warsaw, March 22—President Lech Walesa said there is no need for a referendum on the future fate of reforms. "I think there is no such necessity," the president told journalists on Monday.

"I want to remind you, that I was a great advocate of a referendum, while some have been against it. Today, I hear that they are in favour of it for the benefit of the nation, but it's a little too late," said President Lech Walesa.

'Rumor' of Demand for Government Reshuffle Denied

LD2303102093 Warsaw Radio Warszawa Network in Polish 0900 GMT 23 Mar 93

[Text] Jan Maria Rokita, head of the Council of Ministers Office has denied a rumor that the Democratic Union and the Liberal Democratic Congress had demanded from Prime Minister Hanna Suchocka a reshuffle of the government. In an interview for a local radio, he said: The coalition is doing fairly well. It is not falling apart. It would have fallen apart if there were a honeymoon period in the first months of its existence and later the atmosphere had suddenly gone wrong. But this coalition never had a honeymoon period.

Border Security Issues With Eastern Neighbors

AU2303081293 Warsaw RZECZPOSPOLITA in Polish 18 Mar 93 p 1

[Zbigniew Lentowicz report: "Special Services Are Active"]

[Text] The Office for the Protection of the State [UOP] has confirmed that the special services of our eastern neighbors are taking advantage of the increased tourist traffic into Poland from the east. About 400,000 people are entering Poland from those countries every day.

"There is nothing unusual about that," says Professor Stanislaw Hoc, deputy director of the UOP Intelligence Directorate. "Every country gathers information about its neighbors, and every country that is the object of such information takes countermeasures. But on the border with Ukraine, Belarus, and Russia, the large numbers of tourists have induced the special services there to perform their work more intensively.

"The UOP has noticed that the Ukrainian Security Service is particularly active," Hoc continues. "Since last year, Ukrainian Security Service officials have joined the Ukrainian border guards and customs men in checking passports at border crossings on the other side. Polish citizens are being questioned, which can only be described as information gathering, or, in other words, operational activity. A situation is also being created

which could encourage recruitment. The Ukrainians have actually made their western border more impenetrable than it was before."

The Polish side of the border is guarded by Polish border guards assigned to a total of 28 guard stations. Each station is responsible for a stretch of border from 15 to 65 kilometers long. Each station is also supposed to have 60 guards, but there are often only half that number. The severe disproportion between the two sides of the border also applies to the technical sphere. The border services of Ukraine and Belarus have inherited the entire USSR border defense system, consisting of fences, obstacles, infrared detectors, vibration sensors, etc. In addition, the other side has considerable manpower. There are 80 guard stations, each with several dozen men, and each one of these stations guards a stretch of border only 15 to 20 kilometers long.

"Investigations are taking place into the reasons behind short stays on Polish territory by Ukrainian citizens. Their appearance on our soil and subsequent discrete departure (usually away from official border crossings) would not be possible without the knowledge of the special services of the neighboring countries," says Hoc. "The UOP has established that on the border with the Russian Federation, the Russian special services are engaged in close cooperation with the powerful and extremely efficient military counterintelligence service. In the north of Poland we are no doubt also faced with so-called limited intelligence, which penetrates into Poland up to a distance of 50 to 100 kilometers."

Hoc claims that the joint Polish-Belarusian border controls have encouraged the Belarusian special services to be more active. "Such close contacts make it easier to discover the interests of our own services," he says. "The right conditions for penetrating facilities and installing eavesdropping devices exist. There have even been attempts to recruit our own officials.

"Right now we are concerned about the 'hole' in the Polish-Lithuanian border. The Lithuanian border services have been created from scratch and have not yet reached a suitable level of efficiency.

"We know that there is a cooperation agreement between the Belarusian, Russian, and Ukrainian special services that provides for an exchange of information on third countries. The efforts of foreign services could be supported by Polish citizens belonging to ethnic minorities. The UOP will combat cases of disloyalty which constitute a breach of Polish law."

Government Supports Democratic Forces in Russia

AU2203123893 Bucharest Radio Romania Network in Romanian 1100 GMT 22 Mar 93

[Romanian Government Statement on developments in the Russian Federation presented by Prime Minister Nicolae Vacaroiu in Bucharest 22 March—recorded]

[Text] The Romanian Government has followed with particular attention the domestic political developments in the Russian Federation, which have deteriorated owing to the tension that has emerged between President Boris Yeltsin and parliament, especially after the introduction by the president on 20 March 1993 of a special governing regime.

It is very important for Romania, a country that is located in the neigl borhood of the Russian Federation, as well as for Europe, and the entire world in general, to ensure the continuity of the democratization and reform process in the Russian Federation, a process that is strongly marked by President Boris Yeltsin's personality.

Therefore, the Romanian Government supports the efforts by the Russian Government and by all democratic political forces in that country that advocate and act toward reform and renewal, and against communist restoration, and for a better and prosperous future for the Russian people.

The Romanian Government expresses the hope that the current situation in the Russian Federation will be solved by political means, through dialogue and compromise, without confrontation and violence, so that the democratization process and the transition to a market economy in that country will continue so as to bar the road to communist restoration that would push the world again onto the road of confrontation.

Romania is profoundly and directly interested in a democratic settlement of all these problems.

Iliescu Backs Government Statement

AU2203172493 Bucharest ROMPRES in English 1633 GMT 22 Mar 93

[Text] Bucharest ROMPRES, 22/3/1993—Monday, March 22 at the Cotroceni Palace Romanian President Ion Iliescu met with representatives of the Parliament, government, religious denominations and cultural associations in order to set up a national committee empowered to organise the homage-paying manifestations occasioned by the anniversary of 75 years since Romania's union in 1918.

After a brief address on the importance of the December 1, 1918 moment in Romanian history and on the international context of the time, President Iliescu voiced his hope that the manifestations occasioned by the anniversary will evince the Romanians' desire to develop good relations with all states, in keeping with the international norms.

About the events in the Russian Federation, President Iliescu said he backs the Romanian Government's statement—which expressed hope that contentions between President Yeltsin and the Russian Parliament would be settled, in a political context as the unique modality to continue reform in that country.

FDSN Issues Communique

AU2203194993 Bucharest ROMPRES in English 1848 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—In a press statement the Executive Bureau of the Democratic National Salvation Front (FDSN) writes that "the current constitutional crisis in Russia, through its implications and possible subsequent developments, will strongly influence Russia's destiny, but that of the whole continent as well."

"Just like in August 1991," the statement reads, "there is danger of a communist and nationalist restoration which might push Russia to behavior that would endanger the whole process of reform in Central and Eastern Europe. Romania is most directly interested in the evolution of events in Russia and the way they will go" the statements reads.

FDSN considers Russia is traversing a moment of paramount importance for its future, especially as behind a confrontation between institutions there is actually a violent contention between different ways of understanding post-communist development, the processes of economic transition, democracy and Russia's relations with the members of the federation and the democratic world.

FDSN, in its capacity as ruling party, expresses its conviction that victory and consolidation of democratic reforms in Russia will have an appreciable contribution in building a Europe cherishing freedom, welfare and human rights as supreme values.

PUNR Supports 'Democratic Forces'

AU2303102093 Bucharest ROMPRES in English 1911 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—The growth of tensions within state and parliamentary structures and the loss of control over their course to democracy may conduct to the destabilization of the political and economic situation in this part of the world, to the disruption of the frail European geopolitical equilibrium, to jeopardizing peace and security in the world, Ioan Gavra, vice-president of the Romanian National Unity Party (PUNR) told the press. As one of the European countries mostly affected along its history by the dictatorial forces of Tsarism and communism, Romania

expresses its belief that those times are gone for ever from people's lives, and that Russia will become, not long from now, a European and world partner for democracy, understanding and coexistence.

The PUNR supports the democratic forces in Russia for the furthering of the economic and social reforms, as these form the only way to overcome power conflicts now tearing this country apart, he also said.

FSN, PAC, PDAR Reaction

AU2203195493 Bucharest ROMPRES in English 1733 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—A National Salvation Front (FSN) communique relayed to ROMPRES for release, expresses the Steering Committee's opinion that the actions taken by the conservative forces of Russia, grouped mainly in the Congress of the People's Deputies, "are a grave threat to the course to democracy and economic reforms in Russia."

The document shows that "it is decisive that military forces maintain neutrality to avert a fast and uncontrollable degradation of the situation."

The FSN, as a party "that cherishes democracy and reform as fundamental values," expresses its support "for the effort of the democratic forces in Russia to defend and strengthen democracy by a referendum apt to enable the people pronounce on the furthering of the reforms."

The document calls on "all democratic forces in Romania to take a common stand in these new circumstances which affect our historical, present and future national interests."

* * *

The Civic Alliance Party (PAC) regards with deep concern the latest developments in Moscow where reformist forces are facing national-communist forces, writes a communique of the PAC, assessing that the result of this clarification process will have effects not only on a great nation as the Russian nation is but also on the states in the East of Europe.

The Civic Alliance Party is thereby openly and unequivocally stating its support for the effort the president of the Russian federation, Boris Yeltsin, voted in by universal suffrage, is making for the modernization of Russia, for clarifying its situation, while understanding that his victory is conditional for the stability and peace of Europe.

* * *

"The normalization of the political and economic life in Russia cannot be reached if the country is isolated. Isolating it would be unprofitable for the tomorrow of this planet irrespective of the names of the political characters to hold supremacy in Russia's future political life," Democratic Agrarian Party of Romania (PDAR) says in its communique, stressing at the same time its concern about the evolution of the events in Russia which, due to the sharp confrontation involved and the political goal at stake will be decisive for more than the fate of democracy and reform in Russia."

PNTCD Leader Supports Yeltsin

AU2203124893 Bucharest Radio Romania Network in Romanian 1100 GMT 19 Mar 93

[Text] The parliamentary discussions on the censure motion and the position on the events in Russia were the main subjects of the weekly news briefing of the National Peasant Christian Democratic Party [PNTCD]. The result of the parliamentary vote on the censure motion was assessed by Mr. Radu Vasile, PNTCD spokesman, as being of particular political importance, since it aids understanding—both by the public at home and abroad—of the configuration of the political forces supporting the current government. In the opinion of the PNTCD spokesman, these forces are made up of leftist and even extremist-nationalist political forces.

In turn, Mr. Corneliu Coposu specified that the objective of submitting the censure motion has been achieved. It consisted of a clear-cut delimitation between the forces that support the reform process and a market economy, and the crypto-communist forces with their tendency toward restoration. Mr. Corneliu Coposu also noted the fact that submitting the censure motion now lends the opposition the moral right to attack the 1993 budget, which is unsatisfactory from the point of view of its provisions for culture, health care, and social protection.

As far as events in Russia are concerned, the PNTCD president termed the situation as being difficult owing to the dangerous revival of the conservative forces. He expressed solidarity with the actions of the elected President Boris Yeltsin in his attempts to democratize Russia. Referring to the influence the development of the political situation in Russia may have on Romania, Mr. Corneliu Coposu expressed his conviction that our country has embarked upon an irreversible road toward democratization and the market economy. The processes that this road implies may be influenced only for a short time and in no case overthrown by events in Russia.

PSDR Hopes Democratic Forces Win

AU2203124593 Bucharest ROMPRES in English 1040 GMT 22 Mar 93

[Excerpts] Related to the political situation in Moscow, here are some statements by political leaders in Romania: [passage omitted]

Sergiu Cunescu, president of the Social Democratic Party of Romania [PSDR]: "The current developments in Russia are concerning us seriously. We cannot forget the proximity of Romania to this country and the effects these developments could have for a regime in which communist structures are still very powerful, with their eyes directed to the East. We are hoping that really

democratic forces favouring an integration within a free and united Europe will be the ones to gain victory. [passage omitted]

Army Denies Exercises With Moldovans Planned

AU2303100493 Bucharest Radio Romania Network in Romanian 0500 GMT 23 Mar 93

[Text] Concerning certain reports circulated by the press and radio in the Dniester region, which state that Romania and the Republic of Moldova soon will hold joint military exercises near Tighina, the Romanian Army press office has sent us a statement saying that the reports are unfounded.

There are no accords between the Armed Forces of Romania and Moldova which could serve as the basis of joint military exercises, the statement concludes.

'Meaningful' Dialogue With Ukraine Needed

AU2203130893 Bucharest ROMANIA LIBERA in Romanian 16 Mar 93 p 8

[Article by Corneliu Vlad: "Our Big and Unknown Neighbor"]

[Text] This is not the first time that our newspaper has noted how little we know about what is currently going on in Ukraine. It is as if our interest in Ukraine were on a par with our interest in developments in Kazakhstan, Australia, or some exotic islands. It is as if we had not yet learned that, for several years now, Ukraine has been Romania's closest and most powerful neighbor. It is as if we should discuss how that accursed and so very tangled file of the Ribbentrop-Molotov pact related to northern Bukovina and Bessarabia, the Herta region, and southern Bessarabia with Stalin or the current leaders in Kremlin, and not with the Kiev leadership.

This is a strange example of political shortsightedness. Are we really totally uninterested in what is happening in our neighbor's back garden?

For several years now, official relations between Bucharest and Kiev have excelled in their sobriety, reserve, distrust, and an apparent maximal desire on both sides to conduct as little direct dialogue as possible. Only occasionally have we been forced into such a dialogue by a pressing reality, such as the matter of the barges on the Danube.

One might conceivably understand such an attitude from Ukraine. The young independent state of eastern Slavs is trying as best it can to consolidate itself as a self-sufficient entity in the difficult conditions of disentanglement from the brotherly, suffocating, and century-old embrace of the Moscow state. Russia wants to maintain its nuclear monopoly among the former USSR states, while Ukraine wants to gain something from the Soviet nuclear inheritance devolving upon it. Russia wants to claim as much of the Black Sea Fleet as possible, while Ukraine also wants a large share of it. Russia wants the territory of Crimea back, which former Soviet leader Khruschev awarded Ukraine in the '50's, while Kiev does not really want to give it back, if only for the reason, not at all unimportant, that by agreeing to border changes—even within the CIS—one would create a precedent that might open the way for other territorial issues as well. Is it only by chance that Ukraine is the only country of those affected by the Ribbentrop-Molotov pact that has not explicitly denounced that odious pact?

If we add the fact that centralist trends are becoming manifest within present-day Ukraine—with an ultranationalist Galicia and displays of intolerance toward national minorities—and that we are faced with a neighboring Ukraine on the east, bordering on a western Russia, and together looking like a huge leopard skin, with Russian and Ukrainian intertwining agglomerations that are more complicated than the various ethnic groups in the former Yugoslavia, we can better understand why the problem of borders is the most sensitive point of the Ukrainian state, which is less disposed than any other states to negotiate on this matter.

Experiencing an acute feeling of isolation, Ukraine is currently engaged in a search for allies close by, or at least for neighbors with which it can have sufficiently good relations. Hence, the various cooperation accords with Poland and Hungary.

Romanian-Ukrainian relations, which have been frozen for several years, could not stay like that indefinitely. It would have been unnatural. There are too many problems of mutual interest and they could only multiply and become even more complicated and acute if Bucharest and Kiev continue practicing their present ostrich policy. Will President Ion Iliescu's forthcoming visit to Kiev bring about the much expected thaw in bilateral relations?

Anyway, Bucharest need not necessarily look with nervousness toward Kiev. There are prerequisites for such a thaw. There are chances for a mutually advantageous economic cooperation. The moderate attitude shown by Ukraine toward the situation in the Republic of Moldova and the Dniester conflict is of good omen. Kiev is also not really interested in a bridgehead of extremist nationalists in the Dniester region. The presence of the 14th Army on Ukraine's south-western border cannot bring the young state any grains of comfort.

One should also not attach too much importance to the statements by certain nationalist Ukrainian leaders, such as Kondratenko from the Democratic Renaissance Party, that Bukovina "is currently at the mercy of communist forces and of those who want to increase the Romanian influence in northern Bukovina." Not everybody in Ukraine or northern Bukovina thinks like him.

Therefore, with the forthcoming summit, the official Romanian-Ukrainian dialogue should leave aside the stage of sporadic and fortuitous contacts at a lesser level.

It is all the more necessary for this dialogue to become more meaningful and constant, because life demands it.

It is not enough to close your eyes to such a big and strong neighbor—which you do not trust—and pretend not to see it; this does not mean that it does not exist. This neighbor exists all right. It is next to you.

Euronews Has 'Distortions' in Report on Romania

AU2303121893 Bucharest EVENIMENTUL ZILEI in Romanian 17 Mar 93 p 1

[Article by Ion Cristoiu: "According to Euronews, Mrs. Doina Cornea Is Under Arrest and Faces the Death Sentence"]

[Text] Euronews, a European television channel with ambitions to emulate the famous and mighty CNN, broadcast several times yesterday a report about present-day Romania. As part of a program devoted to European integration, the report dealt with human rights violations in today's Romania.

I cannot be suspected of being a great admirer of the current stage of democracy in our country. Therefore, whenever I have deemed it necessary, I have criticized the imperfections of contemporary Romanian democracy. Consequently, since I am no apologist for the Iliescu regime, I can afford to say without any risk of being labeled in all sorts of ways that I have rarely seen a more tendentious report about today's Romania than this one. There was a permeating and palpable bias running throughout the program, ranging from simple distortions to subtle image manipulations. The report focused on a so-called chasm specific to Romania. The chasm between daily reality and the ambitions of joining the European Community. Although it does not actually state it, it is obvious that the report contests Romania's recent Association Accord with the EEC. According to this program, the human rights situation in Romania contradicts the substance of that accord in a spectacular way. The TV channel's report also tries to convince us that the reality contradicts Mr. Ion Iliescu's statements in the NATO Council. In this respect, the material put out by Euronews criticizes President Iliescu for his claim that human rights are observed in Romania. Among other things, I was able to note what damage Mr. Ion Iliescu's ambition to prove that he can speak English is doing to his reputation. Added to a unfortunate camera angle, Mr. Ion Iliescu's rather poor English helped the report's authors to present him to Western viewers as a slightly ridiculous figure. To prove that Romania's and its president's claims to entering Europe are exaggerated, the report resorts to a subtle manipulation of imagery. From a very diverse and motley reality, the film chooses to retain only those details designed to confirm the thesis that absolute misery prevails in Romania, along with a military-police type supervision: a line of people outside a store near the television center, a beggar, a police foot patrol, and a sentry by a barbed wire fence. One does not know whether those images are contemporary or from Ceausescu's time. Anyhow, it is obvious that those images were selected with tendentious aggressiveness.

You can find a line of people, a beggar, or a sentry anywhere in the world, even in the country that takes pride in being a cradle of democracy. To take these images and present them as the only ones of today's Romania is yet another obvious violation of the journalist's profession ethics. That same day, in its Telejournal program, Euronews presented images from the protest of French fishermen against foreign imports. Images of unbelievable vandalism: broken windows, scowling neanderthal faces, merchandise burning. Romanian miners are mere children compared with French fishermen! Our miners did not dare break any shop windows with their axes. They were just content to attack the government's headquarters. What would have happened if they had retained just these images when shooting a film about France?

The peak of journalistic aberrations was the reference to the situation of Mrs. Doina Cornea. As is known, she was summoned to the Prosecutor's Office in connection with a televised address she made in September 1991, for which she was sued by certain individuals. Very careful about the political significance of the case, the prosecutor went personally to Cluj to hear what Mrs. Doina Cornea had to say. What did the Euronews report have to say about it? Well, nothing more or less than that just one day after the signing of the accord of Romania's association to the EEC, Mrs. Doina Cornea "was arrested by the new regime." As Euronews dramatically put it, she now risks the death sentence or life imprisonment. Several members of the European Parliament announced that they will block the ratification of Romania's Association Accord if Mrs. Doina Cornea is not released, concludes the report on television channel that aspires to compete with CNN. If the members of the European Parliament obtain their information as thoroughly as the Euronews reporters did, one may lose one's appetite to join Europe!

Ways To Ease Effects of Subsidy Cuts Debated

AU2203213693 Bucharest ROMPRES in English 1947 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—An analysis was conducted by Prime Minister Nicolae Vacaroiu, State Ministers Misu Negritoiu, Florin Georgescu and Dan Mircea Popescu at the Victoria Palace, to decide on the measures meant to alleviate the cut of subsidies, action to become effective from 1 May 1993.

Government spokeswoman Doina Jalea said the debates on what adequate means of social protection should be considered left two variants standing. Their basic principles consist of hundred per cent compensation of subsidy cuts parallel to indexation as arising from appraisals of family budgets.

Senate Discusses Domestic Economic Issues

AU2203195093 Bucharest ROMPRES in English 1914 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—The 27 senators that took the floor in the Monday, 22 March sitting of the Senate addressed more than 40 questions and interpellations to ministers and other government officials.

Related to agriculture, the questions mostly referred to the late and defective enforcement of the land law, of crediting policies for purchase of machinery, fertilizers and seed; to the issue of the over 40,000 tonnes of Romanian wool kept idle by wool imports and never to this date capitalized on foreign markets; to the need for a clear status of farm specialists.

Drastic measures were demanded in the field of justice for the prevention and eradication of corruption, as well as the drafting of a law governing housing units appropriated by the state.

The dominant topics in labor and social welfare were the recalculation of pensions for peasants and the military as well as the establishment of sanitary facilities such as free or low price medication for retired rural laborers.

Cultural issues of top interest were the urgent need for a law to defend works of art belonging to the national heritage.

The foreign policy aspects touched on were related to Romania's position to the political events in the Russian Federation, certain regional agreements, and details of the recent talks the Romanian foreign minister had with his Hungarian counterpart.

Attending the sitting and available for answers were cabinet members Teodor Melescanu, foreign minister, Petre Ninosu, justice minister, Iulian Mincu, health minister, Mihai Golu, culture minister, Valer Dorneanu, minister for liaison with parliament, secretaries of state from the ministries of industries, agriculture, food, and the department of religious denominations.

Deputies Ratify Several Trade Accords

AU2203195293 Bucharest ROMPRES in English 1741 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—The Chamber of Deputies debated and ratified in its Monday, 22 March sitting a number of international conventions and agreements Romania is a party to, such as: the accord between Romania and Kuwait for mutual promotion and protection of investment; the amendment to the convention of 22 November 1928, adopted by the General Assembly of the International Exhibition Bureau on 31 May 1988, altered and complemented by the protocols of 10 May 1948, 16 November 1966, 10 November 1972, and 24 June 1982; the interim agreement on trade and trade-related affairs between Romania and the European Economic Community and Romania and the European Coal and Steel Community, signed at Brussels on 1 February 1993; Romania's adherence to the optional protocol to the international pact regarding civil and political rights; the consular convention between Romania and the Ukraine, signed at Bucharest on 3 September 1992.

Talks Held With OECD Representatives

AU2203170093 Bucharest ROMPRES in English 1603 GMT 22 Mar 93

[Text] Bucharest, ROMPRES, 22/3/1993—Monday, March 22, representatives of the Organization for Economic Cooperation and Development [OECD] met with the leaders of Romania's Directorate for Financial Cooperation and Economic Assistance of the Department for European Integration on a last round of detailed talks. This directorate manages the OECD nonrefundable assistance for Romania.

While on the previous meetings the parties discussed, in keeping with the government priorities, issues such as agriculture, energy, transport, telecommunications, privatisation, the restructuring of the industry and of the financial—banking system, this last round of talks approached humanitarian aid.

These sections were attended by officials of the Romanian ministries, representatives of the OECD (G-24) members' embassies to Bucharest, of the IBRD [International Bank for Restructuring and Development], EBRD [European Bank for Restructuring and Development) and PHARE [Economic Reconstruction Aid for Poland and Hungary], as well as representatives of non-governmental organizations involved in the implementation of the assistance programs. They analyzed specific matters concerning the coordination of the assistance for the respective sectors.

The Department for European Integration together with Denmark's Embassy in Bucharest—as Denmark holds the European Community's chairmanship during the current semester—are planning a political meeting between Minister of State Misu Negritoiu and the ambassadors of the OECD countries in order to analyze a survey of the conclusions of the meetings per sections, announced Nicolae Idu, head of the Directorate for Financial Cooperation and Economic Assistance.

Karadzic Allows UN Flights Between Tuzla, Srebrenica

LD2203185393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1744 GMT 22 Mar 93

[Text] Belgrade, 22 Mar (TANJUG)—The Serbian republic's army general staff has received republican president Radovan Karadzic's order to determine a flight corridor and to allow UN helicopters to fly between Tuzla airport and Srebrenica, SRNA has reported, citing sources close to Karadzic's office.

The corridor is 4 km wide "on each side of the central flight path." It has been agreed that, to begin with, the corridor can be used for five days from Tuesday 23 March and that this period can be subsequently extended at the request of the command for former Bosnia-Hercegovina.

As known, helicopters will transport wounded Muslims from Srebrenica to Tuzla in line with political agreements reached a few days ago.

The Serbian side will "carry out swift and expert inspection of Srebrenica-bound helicopters" at a soccer ground in Zvornik. It will not inspect Tuzla-bound helicopters.

The order notes that UN helicopters can take "all humanitarian needs" to Srebrenica from Tuzla and that the UN Protection Force Command is "obliged to report the exact time of planned flights to the Serbian republic's army general command one day in advance," SRNA reports, citing details from Karadzic's order.

SRNA Alleges Serbs Forced To Stay in Tuzla

AU2203145093 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 22 Mar 93

[Text] The agreement between Muslim authorities in Tuzla and [UNPROFOR Commander] General Phillipe Morillon on the opening of a corridor for the evacuation of 500 Serbs from that town to Zvornik will most probably not be implemented. This was reported by a SRNA correspondent citing Serbian military sources in Bijeljina.

According to the same source, the Serbs in Tuzla were yesterday forced to sign the so-called statement drafted by a declared fundamentalist, Enver Halilovic. In this statement the Serbs expressed the wish not to leave the town, and to live together with the Muslims who have been holding them hostage for almost a year.

Morillon Interviewed on Serbs in Tuzla, UN Convoy

AU2203204893 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 22 Mar 93

[Interview with UNPROFOR Commander General Philippe Morillon by Vladimir Mitric in Bratunac on 22 March—recorded, Morillon speaks in French with superimposed Serbo-Croatian translation]

[Text] [Morillon] Tuzla authorities told me yesterday that all Serbs who want to leave Tuzla can leave via UNPROFOR [words indistinct] the world public. This will be organized today. I ordered that those in charge of civilian matters in my UNPROFOR headquarters, the Red Cross [words indistinct] go and visit Serbs in Tuzla, organize (?those who want to leave the town and come to this side).

We are expecting the first convoy today. The first convoy should leave Tuzla for Zvornik, the first families [sentence incomplete]. [Words indistinct] families that are ready to leave. I also ordered that this be organized (?so that) people do not panic there.

[Mitric] You gave your general's word that you will do that. Would you consider it a defeat if the first convoy did not leave today?

[Morillon] I would not want [words indistinct] the same that happened in Srebrenica with the convoy. [Words indistinct] I am sure that the first convoy will arrive in Zvornik today. I cannot say how many people will be in it.

[Mitric] Last night you tried to take 15 U.S. soldiers and one doctor to Srebrenica without having reached an agreement with the Serbian authorities about this. How do you explain this?

[Morillon] No, I did not. They were not Americans. I only [words indistinct] observers can come to Srebrenica. I want to have [words indistinct] several observers to observe the cease-fire.

[Mitric] Mr. General, we were present yesterday when General Gvero [deputy commander of the General Staff of the Serbian army of Bosnia-Herzegovina] asked you why you did not bring military observers to the entire area of Bosnia-Herzegovina, and why you only cared about Srebrenica? This is what the agreement was about. The Serb side did not agree with you about bringing military observers to Srebrenica.

[Morillon] I agree, but I think that journalists should not attend such meetings. Well, this happened, but I [words indistinct] meetings. This is very serious and should be done properly and (words indistinct] and journalists [recording interrupted].

UNPROFOR Commander Against Enforcement of No-Fly Zone

LD2303012393 Belgrade TANJUG in English 0017 GMT 23 Mar 93

["Pool" item]

[Text] New York, March 22 (TANJUG)—United Nations (U.N.) Secretary-General Butrus Butrus-Ghali on Monday [23 March] informed the Security Council that commander of the United Nations Protection Force (UNPROFOR) in former Yugoslavia, General Lars-Eric

Wahlgren was opposed to the enforcement of the no-fly zone over Bosnia-Herzegovina.

Butrus-Ghali conveyed to the Security Council the stand of the Swedish general regarding this problem during the afternoon debate on the French draft resolution which was held behind closed doors. It was not clear on Monday afternoon if the draft had the support of all members of the permanent structure of this U.N. body.

The stand of the UNPROFOR commander was arguemented—Gen. Wahlgren said that violations of the no-fly zone so far had not essentially affected the military situation in Bosnia-Herzegovina and that the use of force would jeopardize the entire U.N. operation in former Yugoslavia, and shipments of humanitartian aid in particular.

Gen. Wahlgren assessed that humanitarian aid shipments to Bosnia-Herzegovina would be seriously threatened and that the U.N. staff in the most vulnerable positions, at airports in particular, would be exposed to grave danger.

Butrus-Ghali said that he had considered it his duty to inform the Security Council president about the concern of the U.N. force commander, adding that the former U.N. Protection Force commander, Indian General Satish Nambiar, had maintained the same stand on this issue.

U.S. Air Force Continues Aid Airdrops

LD2303080493 Belgrade TANJUG in English 0741 GMT 23 Mar 93

[Text] Belgrade, March 23 (TANJUG)—Six U.S. Hercules C-130 planes on Monday night dropped 36.8 tonnes of food and 700 kilograms of medicine and medical equipment over the Moslem settlements of Srebrenica and Zepa in eastern Bosnia.

This was the 23rd mission of the U.S. operation of airdropping humanitarian aid exclusively to the Moslem population in eastern Bosnia.

Crates with relief supplies were dropped over Srebrenica for the 15th time since the beginning of the operation on March 1, the news agency associated press quoted the U.S. Air Force command for Europe as saying.

A total of 744.7 tonnes of food and 24.8 tonnes of medicine and medical equipment have so far been parachuted to Moslems in eastern Bosnia.

Sarajevo Humanitarian Airlift Remains Suspended

AU2303095293 Paris AFP in English 0909 GMT 23 Mar 93

[Text] Sarajevo, March 23 (AFP)—The humanitarian airlift to Sarajevo was suspended for the fifth day running, military air controllers at the Bosnian capital's airport said.

The French, British and U.S. planes bringing food and supplies into the besieged capital had been expected to resume Tuesday [23 March]. But the airport sector has been hit with violent fighting in the last few days.

On Monday, only one medical airplane managed to land to evacuate a French legionnaire with a leg wound.

The airlift was suspended last Friday at midday after the crew on a British plane saw antiaircraft fire pass about 200 meters (yards) from their craft a few minutes before landing.

U.N. Protection Force (UNPROFOR) officials investigating the incident have not established that the British craft was the target, according to Colonel Marcel Valentin, UNPROFOR commander in Sarajevo.

Commentary Condemns Vance-Owen Plan

AU2303090693 Zagreb LJILJAN in Serbo-Croatian 15 Mar 93 p 8

[Commentary by Muhamed Borogovac: "Vance and Owen Accept Karadzic's Plan"—passages between slantlines published in all capitals]

[Text] In the present phase in the war against Bosnia-Herzegovina, the anti-Bosnian lobby has come to the conclusion that the moment has come to take off their masks and to go for either all or nothing. The beaming faces of UN Secretary-General Butrus-Ghali, Conference on Yugoslavia Cochairmen Owen and Vance, indicate that the final success of the great international political endeavor is gradually becoming clear. For the first time in the history of the United Nations, a historical, internationally recognized and sovereign state is about to disintegrate into segments that are neither historical, nation-building, nor have territorial continuity. The following questions come up in connection to this. First:

Why did the aforementioned gentlemen even undertake the job of terminating the state and constitutional continuity of Bosnia-Herzegovina?

When you take into account the West's standpoint, the possible answers are: The crisis in the former Yugoslavia is primarily a Serbian and Croatian problem, therefore, it can be solved only with the satisfaction of Serbia and Croatia, which comprehends sacrificing Bosnia in order to satisfy the interests of these two.

The insistence on Bosnia-Herzegovina's statehood has become dangerous because it can lead to traditional inter-European divisions and conflicts between the central part of Europe and the remaining parts, thereby threatening the integration processes currently taking place in Europe.

The sacrifice of Bosnia-Herzegovina has the advantage of pacifying Serbia's traditional friend, Russia, which is currently "see-sawing" between Europe and tradition. At the moment, a sacrifice in the shape of slaughtered

Bosnian people and a part of their country, does not constitute "such damage" that it should be regretted too much.

Owing to an insufficient awareness of the meaning of nation-building qualities and sovereignty in the Islamic world, and owing to the fact that the Bosnian Muslims are just discovering themselves in this world, the possible reactions of the Islamic world cannot be so damaging as to outweigh the positive reactions of the orthodox world.

On the other hand, the Muslims in the former USSR and Russia have to be shown that their possible nation-building aspirations are futile, since "even the nation-building Bosnians were unable to realize these ambitions" in an internationally recognized Bosnia-Herzegovina.

It is clear that behind the West's current policy in Bosnia-Herzegovina there is the feeling that the Serbs need to be "pacified" and allowed to satisfy their ambitions to such an extent that they stop being the cause of further destabilization in the Balkan region.

Serbian and Croatian gains in Bosnia could be advantageous for the solving of Serbian and Croatian relations in Croatia, where according to the Vance plan, the Croats are expected to accept the loss of sovereignty over a part of Croatia for an unspecified period of time.

The second question could be: What is the ethical and moral basis for the diplomatic heartlessness toward the Bosnians, especially Muslims?

Just as it is impossible to completely rationally explain the Bosnian apocalypse, it is impossible to explain the West's attitude and its perception of the Bosnian drama without moving into the realm of religious categories.

On the contrary, the missionary approach toward Bosnia, characterized by a combination of mercy and ruthlessness, is the real name for the West's approach and it shows just how strong the old stereotypes and emotions really are in critical situations. Moreover, it shows that "the new world order" is really an illusion.

From the first missions in Bosnia-Herzegovina, undertaken by Pinheiro and Cutilheiro, through the visits from Mitterrand and Major, to Vance and Owen, the West is offering Bosnia-Herzegovina mercy, while at the same time it is mercilessly taking away the state, the territory and the awareness of the nation-building spirit on European soil.

At the same time, the West allows the defenseless hostages neither the means nor the fundamental right to self defense from an evil called hatred and death.

What Are the Goals of Western Policy and What Methods Are Being Employed?

In connection to the crisis in Bosnia-Herzegovina, after a year of unheard-of massacres committed in a war waged solely against civilians, the West's policy is submerged in a document known as the Vance-Owen plan. In the media, and especially in high diplomatic circles, this plan has become "the only way to peace and the cessation of bloodshed."

With this primary premise in mind, and through the basic principles of the agreement, the military document and the territorial division of Bosnia-Herzegovina, the country's diplomacy and people are asked to accept the following:

—the termination of state continuity. The plan suspends the currently valid state with its legislative, legal and executive authority, and has no obligation to establish a new one;

—the termination of constitutional continuity without any hope of establishing a new one, because the plan stipulates that in order to do so, the consent of such Bosnian grave diggers as Karadzic, and such schemers as Boban is needed.

In addition to these requests, which actually mean the end of the state of Bosnia-Herzegovina, this plan has the following direct consequences for the state and people of Bosnia-Herzegovina:

—all former conventions that define the aggressor and the victim of aggression become invalid, which means that the international community's obligations toward the people and country that constitute the victim also become invalid (Resolution 752);

—in exchange for UN obligations that follow from international law, and in exchange for its state and constitutional continuity, the state of Bosnia-Herzegovina is guaranteed the protection of those rights that fall far below the level of sovereignty;

—all guarantees being offered have to do with securing the realization of the plan itself, which is absurd. The deployment of UN forces no longer foresees opposing the aggression, securing and establishing peace, but serves "to realize the plan itself."

To paraphrase the text, the plan stipulates and guarantees the following:

—the citizens of Bosnia-Herzegovina are to live in a group of provinces comprising three ethnic areas;

—all functions of the states, national states no less, will be on the level of the provinces, with "guarantees" for the protection of "minorities";

—the legislative, legal and executive authority of Bosnia-Herzegovina, as well as the military structure, do not extend over the areas of the provinces;

—until the final demilitarization, the Army of Bosnia-Herzegovina has no authority outside "Muslim" provinces and is therefore identified with the HVO [Croatian Defense Council] and the chetniks, who,

according to this plan, become the only legal military forces for the Croatian and Serbian provinces;

—the possible liberation of occupied territories, mass graves and execution grounds loses internal and international legitimacy;

—war criminal trials, the return of refugees and the use of roads, have to have the consent of the provinces' authorities, chetniks that is, or that of international institutions;

—all issues that do not come under the authority of the Vance-Owen plan come under the authority of an agreement with the chetniks;

—insistence on this plan clearly shows the low price commanded by the Bosnian people and state on the international political market. This plan has initiated the most complex, but also the most illegal act toward a state and at least a part of its people, which is:

The removal of sovereignty, state and constitutional continuity and territorial integrity of a state in exchange for a protectorate as a transitional period before the final division.

The chairmen of the Geneva conference are right when they claim that this plan will bring peace, but only if the aforementioned facts are realized. According to this concept, peace will be closer and safer if the Bosnian Muslims, distributed around Bosnia in the form of a cobweb, along with rivers and roadways, also give up the rivers Drina, Neretva, Sava, and Una, as well as the roadways that connect large cities. Furthermore, all Bosnians should come to terms with the fact that their border with Montenegro is situated near Trnova, with Croatia near Pazarica, and with Serbia near "Kozja Cuprija." [bridge on outskirts of Sarajevo]

If according to this plan, these people do not reconcile themselves to the fact that their history has come to an end, the Vance-Owen plan again guarantees that there will not be war, but rather a massacre, because the plan guarantees that "one of the three warring sides" cannot secure weapons in order to defend itself.

How the Anti-Bosnian Lobby Managed To Defeat Bosnia-Herzegovina

The cochairmen are putting an ultimatum before the Bosnians—"accept the Plan or the blame for the continuation of war"—while at the same time they are deceiving the international public by claiming that they have put the same ultimatum before Serbia and the chetniks.

Their Plan differs from the chetnik one only in the methods and dynamics of Bosnia's and the Muslims' disappearance, (later also that of the Croats) but it supports, stimulates and legalizes the aggression, its causes and consequences.

So as to make this imperceptible, Vance and Owen have been repeating "little" lies in order to achieve "great" effects.

"In Bosnia-Herzegovina, there are no citizens, but rather Serbs, Croats and Muslims," and "there is no aggression in Bosnia-Herzegovina, but rather civil war." This attitude pardons the Serbian crimes committed against civilians, because civil wars are not subject to sanctions based on international law, they are the internal affair of the individual country. Moreover, this attitude means that throughout the world, no one will ever be safe again, because if one people decides to start killing off another people in the same country, they will be able to proclaim this to be a civil war, thus suspending international law and the system of protection. "The Army of Bosnia-Herzegovina is a Muslim army, the liberated territories are territories under Muslim authority, Alija Izetbegovic is a representative of the Muslims, and the authorities in Sarajevo are Muslim authorities." These statements directly deceive the international public with the goal of supporting the war, the crimes against humanity and the pardoning of war crimes. Namely, the Bosnian authorities and the territory under their authority are the only secular, civic, equal and legitimate authorities on the level of representatives of all the peoples. Moreover, even the president of a state must have a nationality. Since these statements directly suspend any possibility of effectively protecting innocent victims, their creators, Vance and Owen, also bear the blame for this crime against humanity.

"Negotiations between the three warring sides are the only alternative to the war." This statement has served to move the aggression on Bosnia-Herzegovina from the legal realm of the Security Council to the extra-legal realm of negotiations. This has suspended the international legal system and has redefined the victim and the aggressor, while the trial in the UN Security Council (which cannot be harmful to the victim), has been exchanged for an agreement that has turned out to be fatal for the victim of the aggression.

In this context, the international court for crimes against humanity should consider the roles of Vance and Owen, Butrus-Ghali and UNPROFOR [United Nations Protection Forces], their violation of the UN Charter and their unique participation in a war against a member country.

The Responsibility of Diplomacy and the President of Bosnia-Herzegovina

Although not responsible for the tragedy, certain significant moments in the diplomatic activity of the highest authorities of Bosnia-Herzegovina certainly influenced its extent.

If we accept the legal code that "ignorance or lack of information does not remove responsibility for the consequences that arise from ignorance or lack of information," then remarks on Bosnia-Herzegovina's diplomacy could go as follows:

—Agreeing to negotiations without identifying the collocutor. Even prior to being proclaimed a war criminal, Karadzic could not have been a collocutor, except in the Parliament, and especially not after the international community proclaimed that this was not a civil war, but that Yugoslavia was the aggressor. Under certain conditions, only Milosevic or Cosic, as presidents of the country identified as being the aggressor, could have been granted the right to negotiate with the president of Bosnia-Herzegovina. Karadzic, the "leader" of the Serbs in Bosnia-Herzegovina, does not have this right.

—Agreeing to negotiations after the agenda and the starting point had been changed. The last instance occurred when prior to the Geneva conference, Bosnia-Herzegovina, which had a firm political position that disintegrated into dust in Geneva, was drawn into negotiating (with criminals) on the bases of a single, civic proposal for the organization of Bosnia-Herzegovina. Subsequently, the only thing offered at the negotiations was an ethnic division of Bosnia-Herzegovina.

—Agreeing to an unequal position at the negotiations. For every round of negotiations, Bosnia-Herzegovina's diplomacy could have made several legitimate requests and it could have been granted several life-saving concessions that would have secured it an equal position both in the negotiations and in the war. The informational, political and transportation de-blockading of Sarajevo, the Government of Bosnia-Herzegovina and Tuzla airport, were not made into a condition for the negotiations.

Finally, Bosnia-Herzegovina's delegation gradually abandoned the authority vested in it by the extended Presidency and the instructions given it by the Government, and accepted the basic principles and later, the military agreement. What follows is that:

—The delegation of Bosnia-Herzegovina "sold" state and constitutional continuity in exchange for "guarantees" on the level of the protection of human and religious rights (something that should have been understood).

—The delegation of Bosnia-Herzegovina agreed to exchange the sovereignty and the principle of unchanging borders for a protectorate in the transitional period, which is actually the only "legal" way to terminate the sovereignty of a UN member country.

—The delegation of Bosnia-Herzegovina provoked and gave meaning to the Serbian offensive in eastern Bosnia because it enabled the aggressor and the Chetniks to believe that they had something to fight for. It freed them of the fear that Bosnia-Herzegovina was forever a sovereign and united state.

By doing this, the delegation of Bosnia-Herzegovina caused a drop in morale in the Army of Bosnia-Herzegovina and the people, which led to a complete collapse in certain instances. This includes the unheard of criticism directed at their own commanders "not to interfere in politics", and the order to withdraw from positions on the front that were important in the dirty war against Bosnia-Herzegovina.

Finally, no one has the right to negotiate, least of all accept the termination of state continuity and the constitutional system of a state. This especially concerns those individuals who, when they took up their posts, swore that they would defend the constitutional system and state continuity.

How Will the West Solve "the Muslim Refugee Problem?"

Although the West is taking in refugees, the head office for refugees has not been allowing citizens of Bosnia-Herzegovina to leave Sarajevo for months, with the explanation that plane trips out are only safe for those who might sign the Geneva documents.

The West has been sending church mice around refugee centers, who are convincing the despairing people that the chetnik massacres are God's will, that the country in which they currently reside is paradise, while their country, religion and traditions, were just fiction.

HVO Arrests of Prominent Officials Causes 'Tension'

AU2303121593

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1100 GMT on 23 March carries a 15-minute newscast which includes several reports on fighting in the republic.

Enes Osmancevic reports from the Tuzla region about "chetniks shelling the Banovici region since the early morning hours." "As I report," Osmancevic says, "a general alarm is in force in Banovici." Osmancevic also says that "in the early morning hours, the chetniks continued to shell the villages of Gradina and Gracanica, just as their chetnik brothers in Majevica have been shelling Kalesija Commune region since this morning."

Edhem Badzak reports from Konjic on "chetniks from their positions in Bijela and Borak continuing their bloody celebration." Badzak adds that "chetniks are shelling Konjic as I send this report, that is, at about 0930".

Badzak also reports that "this morning, the people of Konjic were disturbed by reports of aggravated relations between the Croatian Defense Council and the Army of Bosnia-Herzegovina and the Ministry of Internal Affairs in this part of Bosnia-Herzegovina. An announcement was received from the Seventh Brigade early this morning that members of the Croatian Defense Council had arrested Dr. Rusmir Hadzihuseinovic, chairman of the Konjic War Presidency, Jasmin Guska, head of the Public Security Station, and Faik Spaga, his assistant, last night while they were returning from a regular

meeting in Partovici in the Neretvica valley. They were arrested at a point held by the Croatian Defense Council. For this reason, members of the Bosnia-Herzegovina Army and the Ministry of Internal Affairs had the entire town cut off last night. The announcement says that this was done to prevent uncontrolled behavior by individuals because of this situation. Namely, the arrest of these leaders caused indignation in the town on the Neretva. Tension between members of the Croatian Defense Council and the Army of Bosnia-Herzegovina is particularly intense in the Neretvica Valley. However, everything is being done to overcome this unpleasant situation. The Croatian Defense Council, however, has still not made any statement about all this."

Gen. Adzic Allegedly Ordered Ethnic Cleansing

93BA0675A Ljubljana DELO in Slovene 23 Feb 93 p 6

[Article by Kresimir Meler and Mirjana Glusac: "Rape as a Means of Battle"]

[Text] In Serbia and the Federal Republic of Yugoslavia [FRY], the plan for ethnic cleansing was prepared for six full months before the beginning of the war in Bosnia; the beginning at Adzic's command.

From our colleagues.

The massacres and war crimes in Bosnia-Herzegovina, and also the mass rapes of Muslim women, were permitted and even supported by the chief of the Yugoslav Army's General Staff, Lieutenant General Blagoje Adzic. Before that, the Yugoslav Army's Security Administration, which was headed by chief Aleksandar Vasiljevic, handled this "problem" operationally. According to the information that we obtained from reliable sources, the above-mentioned war crimes began to be planned back in August 1991.

At the suggestion of Gen. Adzic and the Serbian defense minister, Lt. Gen. Marko Negovanovic, who at that time was the chief of the JNA [Yugoslav People's Army] Security Administration, the "Brana" plan was prepared. The explanation of why that plan should be prepared stated, among other things, that "in the event that the military conflicts spread to Bosnia-Herzegovina, and also because of resistance from Croatian and Muslim fundamentalist paramilitary units, it may happen that in the border areas of Bosnia-Herzegovina the fundamentalists may unite and attack the Serbian people from the rear. Consequently, in addition to the main RAM plan [all Serbs in one country], it is also necessary to prepare an auxiliary plan to prevent an attack from the rear and specify the necessary operational methods for preventing subversive activities in the area of Sandzak and in those parts of Bosnia-Herzegovina where people of different nationalities live together." In this regard one should know that the RAM plan provided for the occupation and retention of parts of Croatia and those parts of Bosnia-Herzegovina where members of the Serbian nationality live, in other words precisely within the borders of the present Serbian Krajinas. It was also planned that the Krajinas would be annexed to the remnant of Yugoslavia, and their military forces merged with the Yugoslav Army.

Repressive Measures

Back in November 1991, i.e., a full six months before the beginning of the war in Bosnia, the department for propaganda-psychological activity prepared a plan according to which "measures for mass repression are to be initiated as part of the implementation of the RAM plan, in order to prevent subversive activity and an attack from the rear against JNA units—of course, if the situation in Bosnia-Herzegovina could not be resolved peacefully, i.e., if the secessionist and fundamentalist leadership could not be removed peacefully. Those measures also include the mass liquidation of Muslims and the destruction of their religious facilities. Analyses of the Muslims' behavior showed that their morale, desire for battle, and will could be crushed most easily by raping women, especially minors and even children, and by killing members of the Muslim nationality inside their religious facilities, and also by violating them first and then killing them. Such methods cause fear and panic among the Muslims, and also despair. At the same time, gray and black propaganda, with carefully considered reports which are then made public, should be used to cause additional panic and force the local population to move out of those parts of Yugoslavia. It is necessary to organize concentration camps for Muslims and separate camps for Muslim women. After cleansing the territory, inhabitants of Serbian nationality should be settled in the settlements on the border with Serbia and Montenegro, and also in other areas from which the Muslims will withdraw."

The preparations for the above plan were carried out by Maj. Gen. Radenko Radinovic (the new chief of the Security Administration), Maj. Cedo Knezevic, and Brigadier Gen. Milan Gvero. The operation was officially approved by Aleksandar Vasiljevic, who received an order from Marko Negovanovic.

Adzic's Order

The plan started to be carried out last April, and the order to start the massacres and mass rapes was personally given by Blagoje Adzic. According to reliable information, Adzic ordered Colonel Zeljko Raznjatovic to carry out a penetration along the Bjelina-Loznica-Visegrad line, and in doing so to drive the Muslim population out of the entire area and occupy all strategic facilities, regardless of the casualties. If there began to be a shortage of soldiers, the units of Jovic, Vucurevic, and Nikola Lujic and the Herzegovina and Drina battalions were to be activated. Even before the operation started, it was necessary to link up with Col. Milisav Gagovic and Brigadier General Ratko Mladic and then act jointly with them. The garrison and corps commanders in the area of the combat activity and the cleansing of the area were under Col. Raznjatovic's command, and were obliged to carry out his orders

exclusively. If necessary, General Mladic was also to take care of supporting the Tigers, the Wolves from Vucjak, and the White Eagles whenever necessary, and also take care of air support. As far as the air force was concerned, it was necessary to contact Gen. Ninkovic directly, or Generals Stevanovic and Bajic.

During the "operation," the following conversation took place between Mladic and Adzic:

[Mladic] General, I have just received a report from Kukanjac. He told me that Alija is demanding that we cease activities. I think that we should not....

[Adzic] Any sort of interruption is out of the question....

[Mladic] I agree. I spoke with Arkan. He requested tanks, and even more people from Miladin in Ozren.

[Adzic] Why don't you send them to him? Send them....

[Mladic] We have certain problems with the Turks....

[Adzic] Why do we have helicopters? Send, send them everything that they are requesting....

Soon thereafter Zeljko Raznjatovic Arkan, in a message that he sent to Ratko Mladic, Blagoje Adzic, and Slobodan Milosevic, reported that "the cleansing of the area is proceeding normally, and the planned actions against the Muslims are also proceeding normally." Later on Slobodan Milosevic also received messages with similar contents on several occasions.

Rare Protests

There were also a few protest messages, like the one sent by Maj. Sava Dabic, who was bothered by the fact that Serbian soldiers were behaving like highway robbers and raping, killing, and torturing civilians and prisoners of war. "I think that such behavior can only harm the Serbian cause," wrote Dabic, who was then quickly withdrawn to Belgrade, with Cedo Knezevic sent in his place. The latter had with him Milosevic's letter stating that Arkan and the others in the field were doing what was right, and the forces cleansing the Muslims from the area were the best ones in the field. If we speak of the organization of war crimes and mass rapes, we can by no means leave out Brigadier Gen. Vuk Obradovic, who in cooperation with former chief of the Counterintelligence Service Nedeljko Boskovic submitted a report to Milosevic stating that "our activities in demoralizing the Muslim population, especially in regard to the psychological effects, are already showing certain results, and it is necessary to continue this and strengthen the operation even further. Cedo Knezevic and the units in the field will take care of further actions of this type. The unit commander will send all messages directly to General Mladic's headquarters and to the Security Administration in Belgrade."

Otherwise, there is also some evidence that the military and political leaderships of Serbia and the FRY were involved in the above operation. One of those proofs is also a letter from the commander of the so-called Ozren corps, Miladin Nedic, to Mihalj Kertes, former FRY interior minister and the present chief of the Serbian secret police. The letter says that the activities in connection with cleansing the territory are proceeding normally. "In the centers in our area we gathered 1,680 Muslim women from 12 to 60 years old, for whom we are now determining their pregnancy, primarily in the group including women from 15 to 30 years old. In the opinion of Bosko Kelecevic and Smiljan Geric, the psychological effect of these activities is extremely high, and consequently this should be continued." Soon thereafter Mihalj Kertes sent the Serbian forces instructions according to which "the FRY Interior Ministry will not cause any difficulties whatsoever in connection with determining the responsibility for possible rapes, because they are an integral part of the military activities and the strategy for psychological pressure." In agreement with the medical service and the fourth department of the Security Administration, approval was given for a certain number of younger women and girls to be brought, at Dr. Vido Mandic's request, to the Serbian area in eastern Slavonija and Baranja for the needs of the Serbian units there and the officers of the Russian UNPROFOR [UN Protection Force] battalion. The message also said that this was requested by Colonel Loginov. What was this about?

Prohibited Investigations

According to reliable sources that are close to the Yugoslav Army's General Staff, Col. Loginov, who is now training Arkan's Tigers as a volunteer in Baranja, through Goran Hadzic, asked Gen. Mladic and Brig. Gen. Milorad Dragojevic "to send from 80 to 100 girls to the area of the eastern sector under UNPROFOR's control for the needs of the officers." This was also done through Serbia. Furthermore, about 100 Muslim women were brought to the military base in Batajnica near Belgrade, which was and still is frequented by the leaders of the Russian mercenaries, including Gen. Filatov as well. Similar instructions, i.e., permission for mass rapes and war crimes, were also sent to the field by Brig. Gen. Bora Ivanovic, who is still on the Yugoslav Army's payroll. Serbian Defense Minister Marko Negovanovic and former and present Serbian Interior Minister Zoran Sokolovic were well-informed about this, and with the support and consent of their leader Milosevic, they simply prohibited an investigation of the above crimes. Milosevic himself, to whom the two above-mentioned people and Radenko Radinovic, the new chief of the counterintelligence service, report every day, prohibited any sort of investigation with the explanation "that this would do an injustice to the brave Serbian fighters, and at the same time it would be open sabotage of all the results achieved so far."

Foreign Minister Discusses Relations With Serbia

AU1903134393 Belgrade BORBA in Serbo-Croatian 17 Mar 93 p 2

[Report on interview with Croatian Foreign Minister Zdenko Skrabalo by Milan Petrovic in Bucharest; date not given]

[Text] On the occasion of exchanging toasts after signing of the Romanian-Croatian protocol on cooperation of the Croatian and Romanian Ministries of Foreign Affairs, Romanian Foreign Minister Teodor Malescanu asked your correspondent whether he would take advantage of "a good journalistic opportunity" and interview Croatian Foreign Minister Skrabalo, only to subsequently mediate in negotiating the interview.

[Petrovic] How do you assess your talks in Bucharest, and what specific perspectives are opening up for peace in the former Yugoslav territories?

[Skrabalo] I also discussed this with Romanian President Ion Iliescu. On the one hand, we must strive to embrace peace and the Vance-Owen plan, which is not perfect but is the best available option. We must also find ways for cooperation, which will not be easy after all this. The talks between [Croatian] President Tudjman and [Yugoslav] President Cosic, and [former Yugoslav] Prime Minister Panic were started in London, and then later in Geneva. Even certain provisions of the agreement have already been written. I was present. This, however, was never implemented, and the prerequisite is that hostilities must end first. Mutual recognition should ensue then. Croatia is willing to recognize Serbia and Montenegro, or Yugoslavia, if, of course, Serbia and Montenegro, that is to say, Yugoslavia, recognize Croatia within its borders. The territory that is currently under the control of the UN Protection Force [UNPROFOR] must be returned to Croatian jurisdiction. Everything else can be discussed then. We want all of this to be resolved in a peaceful manner, as there has been enough bloodshed and death. Croatia has suffered 10,000 deaths and $20 billion in damage. At present we could resolve this in a different manner, but we deliberately refuse to. I hope that in this way the people will come to their senses and that the Serbian nation will gain its place—I also said this to President Iliescu—in the family of democratic Europe. I was born in Sombor [Vojvodina, Serbia], my best Serbian friends were always there. Therefore, I do not identify with [Serbian President] Milosevic and those who conduct policies with the Serbian nation.

[Petrovic] Did you and your Romanian hosts discuss the idea that was initiated here in Bucharest during last year's visit by Prime Minister Panic, on how wider Balkan economic cooperation would involve all countries of the former Yugoslav territories and their neighbors?

[Skrabalo] This was discussed. Some actual steps were even taken. This, for example, was the Istanbul conference which was held last November, when practically all countries of the region endorsed a joint declaration. As you know, the aggressor was condemned there. The conference also created in a way, let me use the term known from history, a "cordon sanitaire," or a barrier to war spreading to other countries of southeast Europe or the Balkans. Therefore, when the positions in Serbia and Montenegro change, the doors will open for all sorts of cooperation. It is clear that after everything that has happened an economic union or something similar is out of the question, but cooperation of absolutely equal states within the framework of European integration can be possible. This is central European integration, the EC, CSCE, and so forth.

[Petrovic] From your point of view, is it felt that a moment has truly come when we can no longer go any further without resuming normal economic relations in this region?

[Skrabalo] We said a long time ago that we are open to all cooperation. It is clear that in these new geopolitical, geostrategic, and economic circumstances Croatia has turned into other directions, too. This does not mean that we are not open to cooperation, as this would be in everyone's interest. After all, all countries in the world cooperate, why should neighbors not do the same?

[Petrovic] On this occasion did you find any specific points that you have in common with the Romanian economy?

[Skrabalo] Very many. The Romanian trade minister is coming to Zagreb. We will sign a special agreement on economic cooperation, therefore there is plenty of common ground.

After this conversation we were approached by Croatian Ambassador to Bucharest Nikola Debelic and said that Skrabalo has asked the Romanians, "who are very close to the Serbs," that they "influence Belgrade to change its position and turn toward peace." The ambassador's words confirmed some conclusions of the observers that Croatia was exerting pressure on Romania "to take a sharper stand toward Belgrade" and not merely to yield to them....

Osijek Court Jails Serb Corporal for War Crimes

LD2003204793 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 20 Mar 93

[Text] The Osijek District Court has sentenced in absentia Corporal Jova Savic from Pancevo to 20 years' imprisonment for war crimes against civilians and POWs. According to the prosecution, Savic, in his capacity of corporal, killed eight civilians and four Croatian soldiers in Vukovar. He was detained in Osijek prison for about a month last year and then exchanged for a Croatian Government official.

Agreement on Wages, Workers' Rights Signed

LD2203203893 Zagreb HTV Television in Serbo-Croatian 1830 GMT 22 Mar 93

[Excerpt] Following a month of negotiations, an agreement on wages and other workers' rights was signed today. The signatories are the Croatian Government, the Economic Chamber, and four Croatian trade union organizations. The agreement defines the manner and method of payment of wages and other material rights for the February-June period of this year.

[Correspondent Zeljko Valcic] The agreement sets the minimum February wage at 55,000 dinars. The wage increase, the agreement states, is related to the price raises. It is envisaged that the minimum March wage will be 68,750 dinars. The wage increase is restricted only for loss-making and illiquid enterprises.

Maximum wages for all enterprises, bodies and organizations, apart from private ones, must not exceed eight average salaries in industry. The government has pledged to define unified wage criteria for all state-financed activities.

During the signing ceremony, Deputy Prime Minister Mate Granic stressed that the government had adopted other trade union demands on labor laws, changes to the law on the fund for privatization, and transformation. [passage omitted]

Croatian Opposition Leader Interviewed

93BA0688H Ljubljana DELO in Slovene 20 Feb 93 p 24

[Interview with Croatian opposition leader Drazen Budisa by Peter Potocnik; place and date not given: "No One Changes Horses in Midstream"]

[Text] [Potocnik] Hlebinci and HDZ [Croatian Democratic Community] members, Freedom members, Peasants, and Istrian Regionals—that is the postelection picture of Croatia, which established you, from among 59 parties, in second place, with the ambition, in time, of seizing the power to which the HDZ is firmly clinging. When can we expect those changes?

[Budisa] In the next elections!

[Potocnik] But what will Croatia be like then?

[Budisa] What will Croatia be like? Well, I really would no longer compete for the office of state president if Croatia were not a territorially complete entity by then, within its internationally recognized borders. We Liberals are in favor of parliamentary democracy, and we are against the kind of presidential or semi-presidential system that we have now in our country. Nevertheless, since we already have such a system, it must be said that I am not convinced that about 200 people in parliament could decide better than one person, but before any important decision it is necessary at least to listen to what the deputies think about this or that. The last election results nevertheless provide some sort of guarantee that Croatia will choose a course of development toward liberal democracy and not toward an authoritarian state with a personality cult. Perhaps it is a modest beginning, which actually awaits all the former communist societies, that from the present nationalism they cross the threshold of postnationalism. I am convinced, however, that Croatia's only prospect lies in a postnational and civil society.

[Potocnik] That is true! But can you still catch the last train in time? It seems to me that in spite of the Liberals' present position in Croatian politics, it is not possible to find arguments that would at least indicate changes.

[Budisa] What about the election results, by which we were finally established as the strongest opposition party in Croatia? The final results are not yet known, because the elections to the parliament's chamber of parishes and for local government bodies will be repeated in several parishes and in several polling places. We have determined, however, that at all levels we took between 26 and 27 percent of all the votes, i.e., a tenth more than in the August elections, when our party list received the support of less than 17 percent of the voters. Consequently, in these elections we achieved a great deal; only the Croatian Peasants' Party [HSS] achieved a higher percentage of new voters in comparison with the outcomes of the August elections.

[Potocnik] Even in the event that you had won, for instance, in the last elections for the upper chamber of the Croatian parliament, you would not have succeeded in controlling the present HDZ authorities. You went into the elections, however, precisely with the slogan that you would in fact establish control over the authorities!

[Budisa] Look, our campaign slogan was due to a completely clear tactic that any party can choose to win over voters. If the Liberals had actually won a majority of deputy seats in the Assembly's chamber of parishes, we could have rejected any law adopted by the HDZ two-thirds' majority in the chamber of deputies against the opposition's will. We would have thus forced the HDZ to become more cooperative and milder in all other decisions. The very fact that the HDZ reacted very harshly to our campaign message that we were not going into the elections to replace the authorities but rather to control them is a sufficiently eloquent proof that we had hit upon the essence of the last elections. After all, our people say that you cannot change horses in midstream. If the voters had thought that this time it was actually a question of seizing power, the opposition would have achieved even less in the elections than it has now. Since we are in extremely critical circumstances, in which an end to the war is still not in sight, and when these authorities are continuing the international negotiations that they started a long time ago to settle Croatia's situation, the average voter would simply have been

frightened of changes in the political and state leadership. That is why he received our slogan about controlling the authorities quite well.

I do not agree, however, with your assertion that we could not and will not be able to change anything at all for the better. We gained local power in most of the cities, including the large centers except for Zagreb, where I was not heading the party list, but in spite of that we received 32 percent of the votes for the city assembly. I think that this is the beginning of the end for the former arrogance and boastfulness that have so far been the trademark of individual HDZ leaders. From now on, at least wherever the opposition has seized power, they will have to adjust to the changed situation. From now on our attitude toward the central authorities will depend precisely upon the HDZ's attitude toward the local authorities, which are in the hands of the opposition. Furthermore, the last elections also finally proved that there is no party on the Croatian political scene that could put an equals sign between itself and the people, and that although the HDZ has the support of a large number of voters, the Croatian electorate is still divided. That is extremely important for the democratic path of the Croatian state. I would say that a sort of balance is being established now between the opposition and the authorities, and that the opposition has become stronger. Just today we sent a letter to the president of the Assembly with a request for an extraordinary session of parliament, which would be completely devoted to privatization and structural changes in the economy, with a clear assessment of our economic and social catastrophe and with appropriate proposals for where to find a way out and how. There is no doubt that from now on we will come before parliament more frequently with similar initiatives and requests, because we are stronger than before, and finally, we will have about 30 deputies in both chambers of the Croatian parliament. I believe that from now on the HDZ will be forced to choose a course toward the formation of a political party and that it will cease to act like a political movement.

[Potocnik] Let's take the example of Maslenica, the Croatian liberation of the area around Zadar, which you Liberals were among the first to applaud; that, however, had an awkward effect, and not only among foreign liberals. Specifically, the question is being posed of what sort of opposition it is that, so to speak, blesses all the strategic decisions of the ruling HDZ regime?

[Budisa] I think that that is a mistaken impression. It is true that until now we have supported those decisions by the Croatian authorities which in our opinion were relatively good. We did not lose our own political profile because of that. And it is true that our support for the Maslenica operation came at a time when we believed that the Croatian authorities had international guarantees for that action and not just some sort of statement in favor by Lord Owen, as it turned out in the end. Furthermore, up to this moment the Maslenica operation has not justified its goal, namely the construction of a pontoon bridge first and then a real bridge across the Novigrad straits. The circumstances on the Zadar battlefield are such that with ordinary mortars the Serbs can hit the future construction site anytime, and the latest news also indicates that the Serbs are only 100 meters from the Zadar airport, where our army was supposed to start removing mines. We can bite our tongues, because we were also convinced that international factors were providing a guarantee for the Croatian measures, which were then condemned by the Security Council in Resolution 802, and that this military operation would really make it possible to build the Maslenica bridge.

In spite of that, it is not a question of our agreeing with the authorities unnecessarily or necessarily. As an example, I will just cite the issue of Bosnia-Hercegovina, with respect to which we have been in a dispute with the ruling party from the very beginning, because we also know quite well how the present situation in Bosnia-Hercegovina occurred. If the HSLS [Croatian Social-Liberal Alliance] had been in a position to be able to guide state policy toward Bosnia-Hercegovina, we quite certainly would not have ended up in a Croatian-Muslim or Muslim-Croatian dispute. We also have to be realistic, however, and proceed in our policy from the current situation, in which we have only been able to censure publicly certain actions by the HVO [Croatian Defense Council] in Bosnia-Hercegovina, which started to act as a state within a state after Vance and Owen's very first proposal for the regional partition of Bosnia-Hercegovina. It is therefore not true that the HSLS supports the Croatian authorities on all strategic issues. If anyone had stated two or more years ago that the Serbs would occupy two-thirds of Bosnia-Hercegovina's territory and that the Muslims and Croats would be fighting between themselves at that time, we would have declared him a complete idiot. From the very beginning our position has been completely clear: the territorial integrity of Bosnia-Hercegovina. With respect to political issues in Bosnia-Hercegovina, the Croats cannot achieve their interests without political cooperation with the Muslims, which is all the more urgently needed in the military option.

[Potocnik] Original sin, however, is leading us to Karadjordjevo, to the Tudjman-Milosevic talks?

[Budisa] I agree! The Croatian public, political parties, and intellectuals have already been raising the issue of Croatian policy toward Bosnia-Hercegovina for a long time. Today we can analyze how and why it all happened, but we have to proceed from the present situation, regardless of the sins in Croatian politics. International factors have prepared a sort of plan for resolving the Bosnia-Hercegovina question, the United States and Yeltsin now agree with it too, the Croatian authorities supported that plan, and we also think that it fulfills the interests of the Croatian people in Bosnia-Hercegovina. Going back to the original sin that you cited in your question, however, leads at most to a pointless academic discussion. That is why we must be realistic, since a few days ago even Alija Izetbegovic cited a statement by Yasir Arafat, in which he suggested to him that the

Muslims should take that bit of land that they are being offered as part of the peace conference and bring their refugees there, because otherwise they could lose everything!

[Potocnik] An integral part of reality is Croatian political disputes with all the neighbors with whom you previously lived until recently in a joint state. Doesn't it seem to you that the Croatian opposition is also fairly impotent with regard to them?

[Budisa] If the Liberals were in power, we would only be in a dispute with the Cetniks. It is true that the Croatian state's relations with our neighbors and natural allies have deteriorated, and we really cannot understand the heating up of an anti-Muslim atmosphere in some Croatian public media; we also condemn the anti-Slovene articles, while not underestimating the real problems that exist between the young states. And it really is impossible to get rid of the impression that our authorities are trying for disputes with everyone, since even our friends—I will not say that they are turning their backs on us—are rather restrained in comparison with the period when we became independent....

[Potocnik] You are probably thinking of the FRG? Isn't your position as an equal partner for foreign liberal parties also threatened because of this?

[Budisa] Yes, I had that country in mind. Otherwise, we are cooperating well with foreign countries, where we are observers in the Liberal International, and observers in the liberal-democratic parties' group in the European Parliament; we often have contacts with many liberal parties. We have not yet established contacts with the Austrian Freedom Party. Our relations with Drnovsek's Liberals are correct, although we do not meet as often as we should. Previously we had frequent contacts with Gros's Liberals, but after their statements that the Slovene-Croatian state border was seriously questionable, those relations cooled. Because of the war situation in Croatia and the elections, which we have had twice in a year and a half, however, we really have not been able to devote more attention to our party's international activity.

[Potocnik] Did you also act in accordance with the model of the formation of the Slovene government, since in some of the local elections you even acted jointly with Racan's Reformers and the Christian Democrats?

[Budisa] We welcome the political processes in Slovenia, and we think that it is useful for your state that the Liberals received the most votes and then formed a coalition government. Our Liberals would also have been extremely satisfied if they had done even worse in the elections than they did if they had had the Christian Democrats and Social Democrats ahead of them. In Croatia's political life, however, everything is upside down in comparison with democratic Europe, since the possibilities for promoting social democracy are very small, and there are almost none for the merger and success of Christian Democrats, as the last elections showed, after all. That is also the reason why we are going into the next elections with the ambition of beating the HDZ.

[Potocnik] Even though now, as the Croatian Rights Party which boycotted the elections is accusing you, you have reached an agreement with the HDZ on the bipolarism of Croatia's political picture, which has also happened?

[Budisa] I swear that there have been no agreements of any kind between the HSLS and the HDZ. As the head of the main opposition party, I have not met with the republic president for more than a year. The fact is that the HDZ created the kind of electoral law that suits the bipolarism of the Croatian political scene. Also clearer now is the HDZ's idea of tying the HSS to it, in a manner of speaking, which they need just because of its former reputation and Radic's political tradition, which is still very much alive among the Croatian people, while we, i.e., the Liberals, would be pushed toward the left. This means that they would literally swallow up all the social democratic parties and thus form a strong left-of-center party from that mixture, an intention that Dr. Smiljko Sokol, the formulator of all the electoral laws in the 1990's, revealed a few days ago. The HSLS will by no means occupy the space that the HDZ intends for it. We have not copied the Slovene model, which you cited in your previous question, and we entered an electoral alliance with different parties from the SDP [Party of Democratic Reform] to the HKDU (Christian Democratic Union—author's note), and the HNS [Croatian National Party] and HSS at different levels. That electoral alliance, however, was only in effect until the end of the elections, except in Rijeka, where our Liberals signed an electoral agreement according to which there will now be a division of power in the Rijeka parish. In any case, the HSLS will not fulfill the HDZ's idea of representing the left, because we want to see the Social Democratic Party to the left of ourselves and we will not abandon for any price the political center, to which we also belong as the oldest Croatian party.

[Potocnik] If you will permit a bit of irony, I would add that being in the Croatian political center means at least in outward glitter imitating Tito's period.

[Budisa] Actually, until leaving Greguric's cabinet, I was an integral part of the government as a minister without portfolio. I did not have a personal guard, I drove my own car, and I can also say that today, in a sovereign, independent Croatian state, I am poorer than I was in the former one, which persecuted me. That is really not noteworthy for a Liberal, however.

[Potocnik] After your campaign statement, in which you compared the Istrian IDS [Istrian Democratic Alliance] with the HDZ, you took your place among almost all the Croatian parties, which although with somewhat less arrogance than the HDZ, at least listened to Istria's pulse, but according to France Juri, you are too involved in the intellectual models of Zagreb's national rhetoric.

[Budisa] In comparison with the HDZ we have not once gone to Istria to bring national enlightenment to the Istrians, and we have never tried to convince them that they are this or that; instead, we have always considered Istria a superior region in comparison with others in Croatia. It has not occurred to us to seek elements in the IDS which are at least necessary for any sort of notion of an enemy party. My statement, however, that just as Croatia is not any sort of HDZ possession Istria cannot be the IDS's possession, was actually a reaction to the IDS's election campaign against the HSLS, which in some cases was even harsher than the HDZ's. Specifically, what happened was that in accordance with party rules we did not interfere in the activity of our municipal committees in Istria. That is why we in Zagreb did not know that all the Croatian parties in Opatija were trying to form a joint election approach against the HDZ by dividing up the electoral districts, and also invited the IDS to cooperate. The IDS in Istria used that example for a real campaign against the Liberals, in which they compared us with the HDZ, and to a considerable extent they also succeeded. That was really a mistake by our local committee. From the very beginning we have been in favor of the kind of Istrian regionalism that suits the Istrians. The question, however, is whether the IDS can achieve that kind of position for Istria, precisely because it is a regional party. Furthermore, it is now impossible to overlook their inclination to enter into disputes not only with the Croatian authorities but also with its opposition, while also forgetting that at the time of the HDZ's attacks against the IDS we Liberals walked out of the Croatian parliament together with the IDS members in protest. I think that nothing really dramatic is happening in Istria, however, and that on the political side that region should be left in peace. As far as regionalism is concerned, just before today we prepared a plan for Croatian regionalism that pertains to the cooperation of Croatian regions in the Alpe-Adria community.

[Potocnik] When you come to power, as you predicted in the beginning, what kind of policy will you have toward Slovenia, if, of course, your predecessors do not waste even the last opportunities for cooperation?

[Budisa] I really feel uncomfortable that disagreements are occurring between the Croatian and Slovene authorities. After all, that is reflected in relations among people, especially since the media are stirring up some disagreements to the detriment of both sides. Perhaps it sounds like an empty phrase, but I am really in favor of the best possible relations with the Slovene state and its citizens. I think that it is high time for we Croats to start to be aware of where our main route to the West goes. It is also because of that, and especially judging by the latest election results, that I am not as pessimistic as I can conclude from the last part of your question. It seems to me that the elections nevertheless indicated the beginning of a period of nonviolent nationalism, which is inherent in a modern civil society based on a social contract.

Croatian Power Company Nearing Collapse

93BA0690A Zagreb VJESNIK in Serbo-Croatian 24 Feb 93 p 14

[Interview with Ivan Putanac, chief director of the Croatian Electrical Industry, by Zeljko Buksa; place and date not given: "Dancing on the Brink of a General Reduction"]

[Text] *I reject Minister Kajfez's accusations about the sluggishness, conservativism, and disobedience of the Croatian Electrical Industry [HEP]; electricity has to become more expensive, and HEP has to be completely rehabilitated, because its collapse would also mean the collapse of the Croatian economy; turning part of our debt into public debt is only part of the solution; tourism is harmed more by the coverage of the electric power plant in Dalmatia than by its construction.*

Zagreb—HEP has probably never been in a more difficult situation: The debts are 110 billion and are still growing, continental Croatia is threatened by reductions because of the problem with procuring fuel for the thermoelectric power plants, and Dalmatia is because the emptying of the Peruca lake reservoir and the prolonged drought, HEP's trade unions are dissatisfied with wages and the preparation of a waiting list and threatening to strike, and the Zagreb executive council is demanding that the city thermoelectric power plant and heating plant be separated.

At the same time, the government is asking HEP to introduce a new method of accounting for and charging for electricity, and Energy Minister Dr. Franjo Kajfez, at a recent press conference, sharply attacked HEP, calling it a sluggish, conservative, and disobedient enterprise in which the Ministry would introduce more order. This was the occasion for an interview with HEP's chief director, Ivan Putanac.

[Buksa] How would you comment on the harsh assessments of HEP by Minister Kajfez?

[Putanac] I do not want to engage in polemics with the minister through the newspapers, but I must nevertheless say that his assessments of HEP are unfounded and inappropriate. If nothing else, on behalf of the self-respect of HEP's 15,000 employees I am obliged to respond to them, because HEP is not just any firm. HEP has proven itself over the last two years. Its employees have demonstrated maximum willingness to maintain the system, and it has been maintained even in the most difficult circumstances, and even with great sacrifices among our employees.

That is why I reject the accusations that HEP is sluggish, conservative, and disobedient. It is sluggish to the extent that is natural for an enterprise with 15,000 employees. Furthermore, it would be less sluggish if there were a clearer delineation of authority between the board of directors and HEP's management. Today the management virtually cannot carry out any decision without

confirmation from the board of directors, and even though it meets frequently, it still cannot make the necessary decisions every hour.

I also do not accept the assessment that we are conservative, because I am familiar with several world electrical industries. Ours is average, neither much better nor much worse than the rest. We have shown that we are willing to make changes. During these two years we have reorganized twice, and we are willing to continue working on improving and streamlining our firm. As far as disobedience is concerned, I think that that assessment cannot be made at all of a large enterprise, and there is not a single argument that we have not done something that the government or the board of directors has asked us to do.

For example, at the end of last year the government asked all public enterprises to provide their proposals for transformation and privatization. I think that HEP was the only one to provide that proposal at the end of last year, but the government has not answered whether it accepts it to this very day. The government also recently gave us a very difficult assignment to propose a new method of accounting for and charging for electricity, within 15 days. HEP did it, and so I claim that the minister's assessments of our enterprise are unacceptable and that they are damaging to HEP's reputation.

Naturally, we are aware that not everything is perfect at HEP, and so we are willing to continue improving our operation, because when you have 1.8 million consumers, and 350,000 just in Zagreb, clearly here and there mistakes have to occur, beyond any control. We always investigate that, however, and punish all those responsible.

[Buksa] A few days ago representatives of HEP's trade unions threatened to strike because wages were allegedly not coordinated with the collective contract, and because of the decision to put 454 employees on the waiting list.

[Putanac] The representative of one of the trade unions at HEP expressed incorrect and even false claims that many HEP workers had already received decisions on dismissal and waiting. Not a single HEP employee has received such a decision. We are trying to have good relations with all three trade unions of the HEP employees, and we have carried out everything that was agreed upon in meetings with their representatives. Thus, at the end of last year we agreed to pay all the bonuses stipulated by the general collective contract, and our economic-commercial directorate carried it out. If there are still some misunderstandings about how that decision was carried out, they should have informed us of that, and we would have resolved it. So far, to the best of my knowledge, we have not received such a request.

As far as sending people to wait is concerned, that has to do with a decision by HEP's board of directors that I am responsible for implementing. It has not yet been done, because we could not reach an agreement with the trade union on the criteria for selecting workers for the waiting list. I tried to explain at two meetings that it was not a question of dismissals, but rather of waiting, and that such a measure was urgently necessary, just as it was an incentive for good workers. The main reason for preparing such a list is the reduced volume of work. We proposed criteria to the trade union, but they have not yet given any answer. Probably the establishment of a unified trade union of HEP employees can be expected soon, which will be a proper partner for us in these talks, I hope.

In recent months we have increased wages to the extent that it was allowed. We are aware, however, that the HEP employees are not satisfied, because our wages are no longer 24 percent higher than the average ones in the Croatian economy, as they were once be ause of the highly skilled structure. We requested several times through the SDK [Public Auditing Service] that the amount of money we receive only apply to basic wages, and that we receive money separately for bonuses. That has never been approved for us, and so wages in HEP are too small in comparison with some other public enterprises. We think that the government urgently has to regulate wage ratios among large public enterprises.

[Buksa] How underpriced is electricity now, and will it become more expensive soon?

[Putanac] Currently, our production price and the purchase price from abroad are ranging around 3.5 to 4 cents per kilowatt-hour. The production is only about half of the sales price, however. Interest accounts for 20 percent of the remainder, transmission 10 percent, and distribution about 20 percent. Consequently, our sales price would have to be about 8 cents in order for us to operate normally and pay our suppliers. The sales price is now only 3.5 cents, however, so it is clear why we are up to our ears in debts. That is also why there is an almost constant danger of reductions.

We owe more than 40 billion dinars to the Krsko nuclear power plant for six months of deliveries of electricity. Intergovernmental problems can also occur for that reason, and the nuclear power plant urgently has to buy fuel for the next season. Since Slovenia paid for it last time, it is now Croatia's turn. About $20 million more is necessary for that, which means that we currently owe the nuclear power plant about $40 million.

We are paying INA the most that we can, but they are not satisfied with it. Now, we owe them about 6 billion dinars. We proposed 4 billion dinars in compensation by the end of this month. There has not yet been an answer, but the further delivery of fuel to our thermoelectric power plants depends on that. Today at the Rijeka thermoelectric power plant we only have enough fuel for one day, and at the Sisak thermoelectric power plant, for two days. If those two thermoelectric power plants stop, we will have to institute at least a 30-percent reduction in the continental part of Croatia.

Back on 8 February we asked the government for a 67-percent higher price for electricity, which would allow

us to work without losses this month and next month. So far nothing has been decided yet, but we hope that it will be very soon.

[Buksa] Minister Kajfez mentioned the possibility that your debts would be written off and converted to public debt as part of the financial rehabilitation of HEP. Is that possible?

[Putanac] We are insisting that HEP finally be rehabilitated. One of the possibilities is converting some of our debts to public debt. That, however, can only be done with the debts to the banks, which account for about a third of the 110 billion dinars. We owe another third to the nuclear power plant, and the rest to suppliers. We have to pay it; otherwise everyone will refuse to cooperate with us.

[Buksa] In that situation, is HEP threatened with complete collapse?

[Putanac] Yes, but in that case the Croatian economy would also suffer a complete collapse, because all the others would be without electricity, which would be a terrible blow. What can be done, though, when, for example, this week we have daily revenues of about a billion dinars, but every day we have to repay 900 million dinars just to the banks so that they will not block our accounts? All the facilities are under maximum strain, and so they also require better maintenance. There is no money for it, and so constantly something could stop. We have thus been dancing on the brink of reductions for months now.

[Buksa] Is Dalmatia also threatened with reductions after the emptying of the Peruca lake reservoir?

[Putanac] In a week that lake will be empty, and the situation with the Busko Blato reservoir is not much better. For two months now there has not been any serious precipitation, and so the situation is extremely serious. We have to empty the Peruca lake for security reasons, and that will probably be followed by reductions. Deliveries of electricity from Bosnia-Herzegovina would help, but because of the war, the question is whether that energy can be produced and transferred to Dalmatia by long-distance power lines. The only real solution would be liberating and repairing the long-distance power lines in the occupied areas, so that Dalmatia could be linked to Croatia's electrical system again. The big question is when that will be possible, however. In view of the present situation, we will have to institute very strict reductions in Dalmatia as early as March, and thus try to save part of the electricity for July and August.

[Buksa] Is the Plomin 2 thermoelectric power plant a new Croatian Obrovac, as it was called in one weekly?

[Putanac] The article was fairly correctly written, but the sensationalist title was inappropriate for it. Obrovac is a concept of something that stopped and will never start working again, but the Plomin 2 thermoelectric power plant will certainly start working and work effectively for a long time. We need help from the government to complete it, however, because we do not have the money for it. For a long time now we have been talking with possible foreign investors, but they are all requesting guarantees from our government, for the security of their investment. Because of the prolonged construction, the electricity from that thermoelectric power plant will be somewhat more expensive, but energy that does not exist is the most expensive of all.

[Buksa] The Zagreb government recently, after a two-day reduction of heating in Zagreb, demanded that the city thermoelectric power plant and heating plant be separated from HEP into a separate city enterprise.

[Putanac] I think that that proposal was a bit contrived, because it is impossible to do it within the period proposed. If this were adopted in Zagreb, we could expect similar requests from other parts of Croatia as well. I think that it is better for us to analyze thoroughly what the best solution is for the city and HEP, instead of making a bad decision in haste. I think that first it is necessary to resolve the issue of the financial rehabilitation, transformation, and privatization of HEP, and only then to start talking about possibly splitting off parts of HEP. Until then, we are willing to continue cooperating well with the Zagreb government.

[Buksa] Experts claim that the construction of a new power plant in Dalmatia is inevitable, but the local population is against a nuclear power plant and a thermoelectric power plant. What kind of solution do you propose?

[Putanac] A new electric power plant is necessary, in spite of the plans for Dalmatia to be linked better with the electrical systems of Croatia and neighboring Bosnia-Herzegovina. We maintain that the best solution is a thermoelectric power plant using imported coal. Because of the constant problems with procuring fuel, we can no longer build thermoelectric plants based on heating oil, which are also the most expensive.

As far as a natural gas thermoelectric power plant is concerned, INA warns that it cannot provide sufficient amounts of gas in Dalmatia either by building a gas pipeline or by building a terminal for liquid gas somewhere in Dalmatia. The proposed thermoelectric power plant using imported coal would have modern technology, so that there would be maximum environmental protection. Tourism is being harmed more by the coverage of that electric power plant than by its construction. In many tourist countries there are similar thermoelectric power plants in the main tourist areas.

European Parliament President Conducts Visit

AU2203180093 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 22 Mar 93

[Text] Dr. Egon Klepsch, president of the European Parliament, arrived in Ljubljana today for a one-day visit. He held talks with a State Chamber delegation and Prime Minister Dr. Janez Drnovsek. He was also received by Slovene President Milan Kucan. Edo Zitnik attended the talks with the State Chamber delegation:

[Begin Zitnik recording] The president of the European Parliament—which is an institution that with European integration is growing into something much more than a mere Babylon-like association of national policies—got the idea for his visit to Ljubljana from Austrian Foreign Minister Mock.

In his talks with the State Chamber delegation, led by Chamber Chairman Rigelnik—which were, as opposed to the talks with Dr. Drnovsek, opened for journalists—Dr. Klepsch expressed surprise at the level of economic and political stability in Slovenia. According to him, Slovenia will be able to sign the agreement on associate membership with the EC in the near future. Although, he naturally avoided making concrete promises.

Talks between Dr. Klepsch and Slovene members of the parliament concentrated on Slovenia drawing closer to the European Twelve. Regarding this, the Slovene side asked him for his assistance in making Slovenia's status equal to that of at least the countries of the so-called Visegrad Group—Poland, Hungary, the Czech Republic, and the Slovak Republic. This would not only facilitate contacts with the EC, but the Visegrad Group as well. Dr. Klepsch was also asked to help in overcoming the ban on the import of Slovene meat to the EC markets. Although, as the EC knows very well, the foot-and-mouth disease [parkljevka in slinavka] in animals has not been registered on our territory. They also warned that in some parts of Europe, all republics of former Yugoslavia are still treated somewhat uniformly, which is hindering Slovenia in making contacts with Europe although it is considered the most developed former communist country with realistic chances to adapt to the European standards relatively quickly.

Dr. Klepsch was, of course, also interested in Slovenia's opinion on the recent tensions between Ljubljana and Rome. Deputies presented a global analysis of the situation to Klepsch, stressing the fact that Italy has already agreed to Slovenia's succession in interstate agreements signed with Yugoslavia and, therefore, in Osimo agreements as well. They expressed the belief that the recent unexpected move by Rome primarily came as a result of the elections in Italy, which should not influence otherwise good relations between the two countries in the long run. It seems that Dr. Klepsch concurred with such an assessment. [end recording]

National Party Leader Disputes Borders With Croatia, Italy

LD2203151193 Belgrade TANJUG in English 1445 GMT 22 Mar 93

[Text] Ljubljana, March 22 (TANJUG)—"Slovenia's borders with Croatia and Italy are unjust," claims Zmago Jelincic, the leader of the Slovene National Party.

"Slovenia's diplomacy must be firm on its position that the border with Croatia is on the Mirna River, not on the Dragonja," he said at the recent congress of his extremely nationalistic party, and went on to insist that "Italy stole the border belt with Slovenia."

Jelincic sharply condemned Slovenia's diplomacy for closing its eyes to these problems.

The former Yugoslav Republics of Slovenia and Croatia violently seceded from Yugoslavia in 1991.

Slovenia's border with Croatia was traced after World War Two as part of the administrative division of the communist-era Yugoslav Federation.

The border with Italy was regulated under the Yugoslav-Italian State Treaty.

Chairmen of Assembly Committees Confirmed

93BA0675B Ljubljana DELO in Slovene 23 Feb 93 p 2

[Article by Marko Jakopec: "Official Candidates Confirmed for Chairmen of the Working Bodies"]

[Text] Ljubljana, 22 Feb—The members of the State Assembly's commission for elections, appointments, and administrative matters, at their meeting today, also designated candidates for the chairmen of seven commissions and 11 committees of the State Assembly.

Three commissions were already working. In addition to the commission for elections, appointments, and administrative matters, which is headed by Tone Anderlic (LDS [Liberal Democratic Party]), a mandate and immunity commission was also appointed at the Assembly's inaugural meeting. The chairmanship of the commission was then entrusted to Miroslav Mozetic (SKD [Slovene Christian Democrats]), who is now supposed to be replaced by his party colleague Nada Skuk. Later on, a commission for determining the incompatibility of holding a public office with gainful activity, and oversight over officials' property status was also established under the leadership of Ciril Pucek (SKD). The candidates designated today for the chairmen are:

—the commission for monitoring and overseeing the ownership transformation of social property: Chairman Izidor Rejc (SKD), born on 5 November 1936, graduate economist, director of the Mercator Commodity Center, and a minister in Peterle's government;

—the commission for constitutional issues and rules of procedure: chairman Miran Potrc (ZL [United List]),

born on 27 March 1938, a graduate lawyer, former president of the Assembly of the Republic of Serbia;
—the commission for ethnic communities: Chairman Marija Pozsonec;
—the commission for petitions: Chairman Brane Erzen (SNS [Slovene National Party]), born on 20 April 1954, an electrician and paper factory worker;
—the commission for local self-administration: chairman Dr. Ciril Ribicic (ZL), born on 30 June 1947, a doctor of law, a professor at the Law School, and former president of Slovenia's SDP [Party of Democratic Reform];
—the commission for women's policy: Chairman Vika Potocnik (LDS), born on 3 January 1957, graduate teacher, deputy in the Republic Assembly;
—the commission for oversight of the work of the security and intelligence services: Chairman Dr. France Bucar (DS [Democratic Party]), born on 2 February 1923, a doctor of law, former president of the Republic Assembly;
—the committee for international relations: Chairman Zoran Thaler (LDS), born on 21 February 1962, graduate political scientist, former deputy minister, deputy in the Republic Assembly;
—the committee for the economy: Chairman Feri Horvat (ZL), born on 26 September 1941, graduate economist, former president of the Slovene Chamber of Commerce;
—the committee for internal affairs and justice: Chairman Vitodrag Pukl (SDSS [Social Democratic Party of Slovenia]), born on 2 August 1930, graduate lawyer, vice president of the Republic Assembly;
—the committee for defense: Chairman Zmago Jelincic (SNS), born on 7 January 1948, graduate pharmacologist, party president;
—the committee for the infrastructure and the environment: Chairman Zaro Pregelj (SLS [Slovene People's Party]), born on 2 September 1956, a classroom teacher of the plastic arts, a deputy in the Republic Assembly;
—the committee for agriculture and forestry: Chairman Joze Protner (LDS), born on 23 April 1944, MA in biotechnical sciences, minister in Drnovsek's previous government;
—the committee for health, labor, the family, and social policy: Chairman Stefan Kociper (SKD);
—the committee for finance and credit-monetary policy: Chairman Janez Kopac (LDS), born in 1961, graduate economist, deputy in the Republic Assembly;
—the committee for science, technology, and development: Chairman Dr. Peter Tancig (Greens), born on 20 November 1944, doctor of science, graduate electronics engineer, minister in Peterle's government and Drnovsek's former government;
—the committee for culture, education, and sports: Chairman Dr. Dimitrij Rupel (DS), born on 7 April 1946, doctor of sociological sciences, minister in Peterle's and Drnovsek's former governments;
—the committee for oversight of the budget and other public finances: chairman Igor Omerza (DS), born on 20 August 1950, MA in economics, director of the Slovene SDK [Public Auditing Service]).

Slovenia Becomes World Bank Member

93BA0675E Ljubljana DELO in Slovene 26 Feb 93 p 1

[Article by Mitja Mersol: "Slovenia Was the First To Become a Member of the World Bank"]

[Text] *The SFRY's membership in that institution has ceased; our state was the first of the former republics to meet all the conditions; our share of the debts is approximately 5 percent.*

From our correspondent.

Washington, 25 Feb—The Board of Executive Directors of the World Bank (as the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC) are called for short) adopted a decision today on the cessation of the SFRY's membership and on the successors to that membership in the above institution.

The former Yugoslavia, which ceased to be a member of the IMF on 14 December 1992—of the former republics, Slovenia and Croatia were subsequently admitted to the IMF—is now no longer in the World Bank either. Its membership automatically, in accordance with the method of succession, passed to the former republics, which naturally have to meet specific conditions for admission. The first is membership in the IMF, and for the time being it is only met by Slovenia and Croatia.

Our state has also met all the other conditions for membership in the World Bank. With two statements, it agreed to a division of the former SFRY's shares in the World Bank and to a division of the debts. It has also settled the "legal package" which confirms that Slovenia agrees with the bank's statute, and it has also settled all its current obligations to the bank (only about $900,000 remains unpaid from the old SAL-1 [Structural Adjustment Loan 1] loan, part of which the recipient at that time, Beobanka, gave to Elan and Pek).

Otherwise, the Slovene share of the total debt that the SFRY owed to the World Bank as of 31 December 1992—approximately $2 billion—is approximately 5 percent, and amounts to about $100 million (the Bosnian share of the debt, for example, amounts to about $500 million).

As for the share in the former Yugoslavia's property in the World Bank, the situation is as follows: the SFRY had 4,381 shares of the bank's capital in the IBRD. Those have now been divided among the former republics and new members according to approximately the same "key" as the IMF introduced, and according to which Slovenia has a share of somewhat more than 16 percent, so that 706 shares of the IBRD's capital belong to it. The Yugoslav successor republics have an equally divided number of membership votes in the IDA (each new member will get 500 votes each), while the

SFRY's contributions and membership dues, somewhat more than $86 million, will be distributed according to the IMF's standards to the individual successor republics. According to that division, Slovenia is to have $12.8 million in the IDA. In the IFC—the former Yugoslavia was admitted to it in July 1968—there are now a full 11,000 shares, which are to be divided among the successors. Our state, through membership in the IFC, is to receive 1,807 shares.

Slovenia will have its own governor in the World Bank, who is usually the finance minister of the member state, i.e., we could conclude that in our case it will be Mitja Gaspari. In the 24-member Board of Directors, Slovenia is represented by Boris Skapin, who already performed the function of deputy executive director previously. As Skapin stated, Slovenia will have the opportunity to obtain new loans from the World Bank, namely from the IBRD for investments in the state sector, and from the IFC for investments in the private sector. Furthermore, opportunities are being opened up for it for direct capital investments by the IFC in Slovene enterprises and banks. "With membership in the World Bank, Slovenia also has the ability to insure investments against noncommercial risks. That has to do with our investments abroad, and foreign investments in our country. Membership also makes further technical assistance and advice possible for us," Skapin said. Slovenia will also be able to establish ties with several regional financial organizations. It is now possible to determine obligations more precisely with the Paris Club and the commercial banks that are our creditors.

To be sure, in a few years we will lose our right to draw loans from the World Bank, since we will obviously cross the limit of $4,500 in gross national product per capita, and thus we will no longer be "qualified" for loans, but until then we can still count on several loans with a total value of approximately $100 million.

German Foreign Minister Receives Peterle

93BA0675C Ljubljana DELO in Slovene 25 Feb 93 p 1

[Article by Damijan Slabe: "Kinkel-Peterle Talk on Strengthening Cooperation"]

[Text] *The meeting in Munich was intended for becoming personally acquainted and for closer ties; agreements also discussed.*

From our correspondent.

Bonn, 24 Feb—Today in Munich German Foreign Minister Klaus Kinkel received his Slovene counterpart Lojze Peterle. The meeting, which took place at Germany's initiative, was, as the Bonn Foreign Ministry announced, intended primarily for the two ministers to become personally acquainted, and the main subjects of the talks were cooperation between the countries and the critical situation in the area of the former Yugoslavia.

With respect to cooperation between the countries, the ministers agreed that the planned agreements on investment ties and preventing double taxation, as well as a treaty on cultural cooperation, should be concluded as soon as possible.

Later on in the talks, Foreign Ministers Kinkel and Peterle welcomed the U.S. initiative regarding the latest humanitarian assistance for Bosnia and Herzegovina, which occurred in agreement with UN Secretary General Butrus-Ghali, and they also expressed their conviction that a rapid settlement of the conflicts on the territory of the former Yugoslavia was only possible through immediate intervention by the international community.

[Box, p 1]

Ljubljana—The meeting was a working and relaxed one, much more than just formally getting acquainted, as Slovene Minister Peterle assessed his first meeting with his German counterpart. He emphasized that both of them had a very favorable view of bilateral relations. Kinkel also accepted an invitation to visit Slovenia. Otherwise, Peterle is beginning a period of intensive international meetings. Tomorrow he will meet with his Czech colleague Zieleniec, who is obviously paying particular attention to relations with Slovenia, since until now he has only visited neighboring Slovakia. Our minister's plans also include talks soon with the Austrian and Hungarian foreign ministers, and a trip to Iran.

Federal

Government Submits Draft Budget To Parliament

LD2203155193 Belgrade TANJUG in English 1532 GMT 22 Mar 93

[Text] Belgrade, March 22 (TANJUG)—The Yugoslav Federal Government submitted a draft budget for 1993 to parliament on Monday [22 March].

The draft envisages for state spending to total 54,806 billion dinars (somewhat over 2.7 billion Deutsche marks at the black market rate) in 1993.

The budget should be financed mostly from customs and other import duties and the turnover tax.

Its size is based on a projected G.N.P. [gross national product] of 479,472 billion dinars (some 24 billion Deutsche marks), and is expected to restrain public spending and stabilize the economy.

The government has announced for this year a sharp slashing of public spending, failing which the basic targets of the economic policy—curbing of runaway inflation and stopping the dwindling of production—could not be achieved.

The restrictive measures are being resorted to at a time of unusually high outlays for healing the economy which has been severely afflicted by ten months of international blockade.

Jovanovic Calls For Protection of Serb Defendants

LD2303021493 Belgrade TANJUG in English 0012 GMT 23 Mar 93

["Pool" item]

[Text] New York, March 22 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic on Monday [22 March] asked cochairman of the conference on former Yugoslavia Lord David Owen to protect a group of 12 Serbs from Dubrovnik who have been charged with involvement in an armed rebellion by the authorities of the former Yugoslav Republic of Croatia.

Relevant documents were also presented to Lord Owen.

A political trial is currently under way in the military court in the central Dalmatian town of Split against the 12 Serbs who had been active members of legal political parties and forums in the territory of Croatia during 1990 and 1991.

As members of those organizations, they maintained political contacts with organizations and individuals from the Yugoslav Republics of Serbia and Montenegro and are now accused because of that.

Among the accused is Velimir Zecevic, 74, who is currently imprisoned in Dubrovnik.

Jovanovic and Lord Owen on Monday also discussed several other questions concerning the crisis in the territory of former Yugoslavia and the peace talks on Bosnia-Herzegovina currently held in New York.

Jovanovic previously met with Russian envoy to the talks Vitaliy Churkin.

Banks Attempt To Get Foreign Money

93BA0697D Belgrade POLITIKA in Serbo-Croatian 23 Feb 93 p 15

[Article by G. Volf: "Black Market and Crisis: Exchange Rate Rises, Banks Advertise"]

[Text] *Over the past 22 days, the exchange rate of the German mark [DM] has risen 268 percent; street dealers as collectors of foreign exchange; from bad to worse.*

This past weekend went by without the already routine chaos on the black market. Large quantities of dinars did not pour into the streets and markets, which usually results in a sudden change in the exchange rate. Street sellers, popularly known as dealers, continued to buy German marks for 9,500 to 10,000 dinars while offering them for sale for 10,500 to 11,000 dinars. Besides foreign exchange, the most sought-after commodity on the streets and in the markets continues to be cigarettes, but the supply of holsters for pistols and similar souvenirs of that time is growing. Most frequently, radio, TV, and newspapers carry advertisements by banks and companies trading in alarms, security locks....

At the beginning of the month, a German mark could be bought on the street for 4,100 dinars. Over the past 22 days, it has become 268 percent more expensive. The perilous race with prices continues.

Hundreds of newly opened banks, savings institutions, and currency exchange offices are also competing to see which will offer more for the purchase of foreign exchange through citizen checking accounts, from which it is still hard to withdraw a single worthless dinar in cash. Although the number of street resellers has increased in proportion to the rise in the number of workers on mandatory leave, it is usually small transactions that are conducted on the streets. Larger exchanges of money are carried out in safer places. For the most part, street dealers serve as collectors of foreign exchange, because the ordinary citizen no longer has the means to buy even a ticket for public transportation. Hard currency is resold, again at a higher, converted rate, to businessmen and other unknown members of the elite, and is used to import petroleum, but also cigarettes, nylon stockings, and other goods that are often nonessential but that sell well. That is why there is less and less foreign exchange available while consumption is on the rise.

In order to get their hands on foreign exchange, newly established bankers are inventing all sorts of lures for depositors. There are even banks that offer interest in

advance. Bring DM1,000 to the bank and you will immediately get your DM100 as 10 percent interest, and in 30 days you can withdraw the principal, again DM1,000. There is more interest for terms longer than 30 days, also paid in advance. At the same time, depositors at "Kokar" savings bank have neither their principal nor their interest, and the interest was as much as 30 percent monthly. Attractive?

Individuals are willing to do anything to get hard currency with a daily inflation rate of 4 percent. Only 10 days ago, a German mark could be bought on the streets for 7,000 dinars. That was on Friday. By Monday, 15 February, one had to pay 8,500 dinars. Amid the unprecedented shortage of dinars in banks and the legal trade in German currency over the entire course of last week, the increase is continuing. By Thursday, the mark had reached a value of 10,000 dinars, and on the same day cigarettes went up for the second time in a month, by an additional 65 percent.

An increasing number of retail merchants are officially listing prices exclusively in marks. Everything is recalculated into dinars according to the black-market rate. This avoids having to reattach new prices every day, but also opens up the possibility of new machinations.

Prognoses concerning what will happen on the black market can only be somber. But the state's behavior seems to indicate that it wants to prove the law that, left to their own devices, things tend to go from bad to worse.

Savings Bank Depositors Blockade Bank

93BA0697F Belgrade POLITIKA in Serbo-Croatian 23 Feb 93 p 15

[Article by A.A. and Lj.M.: "Savings Depositors Block 'Autobanka': Not Going to Negotiations in Kragujevac"]

[Text] The branch of "Autobanka," the main subsidiary of "Jugobanka DD," located at the "Palas" Hotel was blocked yesterday at 0800 by members of the Association of Foreign-Exchange Savings Depositors of Serbia from Sava Kovacevic 42 a.

"The blockade was reported to the MUP [Ministry of Internal Affairs]. We wanted to negotiate peacefully with the bank management concerning the payment of foreign-exchange savings to our members, but since a month of negotiations has not yielded any results, we decided to block the bank," said Ivan B. Nedeljkovic, the association's president.

The blockade will continue every day from 0800 to 1530 until an agreement is reached.

"We are prepared to accept any agreement. We ask that every depositor be paid between 200 and 500 marks based on the list that we submitted to them. For now, there are 20 people on the list, and if they cannot pay at least one of them every day, then let them close the bank," Nedeljkovic emphasized. "Thus far we have already reached an agreement with 10 banks on partial payment of foreign exchange to depositors, but we cannot even make contact with the director of this bank. He asked that we come meet with him in Kragujevac, where the central bank is, even though he is obligated to visit the Belgrade branch once a week," Nedeljkovic stressed.

Momcilo Pecelj, the assistant chief director of the "Autobanka" branch also confirmed that the depositors were invited to Kragujevac.

"We are ready to talk. We invited representatives of the depositors to Kragujevac, and offered them round-trip bus tickets. For now, however, we are unable to accommodate them and give them hard cash. The only thing that we can give them is dinars. We are heeding the decision by the National Bank of Yugoslavia according to which foreign exchange is given only to buy medicine, treatment abroad.... We do not know how other banks are getting foreign exchange. The depositors can block the bank, but they cannot forcibly obtain a signature on any sort of agreement," Pecelj said.

Operation of New Private Banks Explained

93BA0715B Belgrade BORBA in Serbo-Croatian 3 Mar 93 p 11

[Article by B. Stepanovic: "How New Private Banks Are Run: Successes for Ripley"]

[Text] "When I give someone a loan here, I lose five liters of blood while I return it. The conditions under which it is done are entirely irregular, because the state is completely social and protects the debtor 100 percent. Our newly founded banks have shown in practice that even in this sort of atmosphere something is possible that is not even theoretically possible in the whole world—achieving a positive result in the first year. Nowhere in the world have I seen a positive result anticipated in the first year of business when a new bank is founded; rather, a 10 to 30 percent loss of startup capital is planned, which is gradually reduced, with the first possibility of 'breaking even' coming in the fourth year."

This opinion was expressed by Prof. Dr. Zivota Ristic, the director of the German LHB Bank in Belgrade, at a roundtable on private banking organized by the newspaper EKONOMSKA POLITIKA.

"The diversity of interest, ranging from 40 to 210 percent a month, is truly worthy of Ripley. Not even much wealthier countries than ours can withstand that. There are plenty of stories about how banks that give enormously high interest rates can earn them by laundering money, but not through their own prudence and normal banking transactions. Instead of changing the Law on Banks, which is the first thing to be tackled by every new government, we should establish a realistic NBJ [National Bank of Yugoslavia] discount rate, close to the market rate, and stipulate to banks the percentage

of deviation from it. That is not administrative regulation but rather professional banking regulation," said Mirko Piljak, the director of Trgovacka Bank.

"Illegal transactions have assumed such proportions that 90 percent of transactions in banks and in the economy are already directly outside the law, while only the remainder is carried out according to regulations." This is so obvious, according to Miloje Lukic, the director of Kontrol Bank, that it means that everyone is probably satisfied with this situation. If society, which is supposed to control criminal behavior, does not even lift a finger, then that means that it is content with the situation. This opinion was seconded by Dragoljub Vukosavljevic, the director of Union Bank, who said that we live in a financial system where there is not even the bare minimum of order in a rule-of-law state. "I cannot justify the high interest rates given by some banks, because I have to be suspicious of their sources and investments. I am afraid that the situation with old foreign-exchange savings will happen to us once again," Vukosavljevic said.

Apparently, the inflationary conflagration has already spread to the entire house, and if this country's top experts do not quickly come up with a program for what we should do next, there is a serious danger that we will all burn up in it. If we were to resolutely roll up our sleeves right now, we could have a gross national income of $10,000 in five years. There are plenty of people here today who have gone astray in banking in an effort to make a profit from speculation, said Branko Dragas, the director of Kredibel Bank.

Discussing the level of interest rates on savings, Milorad Nikolic, the director of Karic Bank, in contrast to some of the other participants advocated making them a matter of free choice and opportunity by each bank. Nevertheless, his bank too has experienced major problems due to the rise of interest. "We increased interest because that was the only source from which we could get fresh money, but that came back at us like a boomerang, through a cash shortage. We then increased interest once again and found ourselves in an even worse situation. When we saw that this was an endless chain, we approved interest on savings," says Nikolic. "Actually it is absurd to expect banks to be doing great when the economy has never been in a worse situation, with serious losses. This is 'helped' quite a bit by the state, through inadequate taxation and monetary policy," said Nenad Urosevic, the director of MB PKB Bank.

Causes of Cash Shortage Detailed

93BA0717B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 22 Feb 93 pp 23, 25

[Article by Vladimir Grlickov: "Where Is the Cash?"]

[Text] Again there is almost no cash in the banks even for the most elementary payments from current and giro accounts, and recently (even) dinar savings under contract have been threatened, especially in certain private banks. It is difficult to say which of the numerous reasons can be labeled as the decisive one in bringing about the cash shortage, but from the changes that have obviously occurred in cash flows, from its source in the Bureau for Bank Note Manufacturing (the plant where money is printed), by way of the national banks and settlement agencies, all the way to the banks—it is clear that the main problem does not lie in the technical and technological impossibility of obtaining necessary quantities of money. This, incidentally, is frequently stressed as the main reason for the cash shortage.

Reasons

Certainly, we should not underestimate the fact that at the present rate of hyperinflation the capacities of the Bureau for Bank Note Manufacturing (the printing plant in Topcider) are limited and, in spite of working on several shifts, they cannot manage to print enough cash. But that should not be seen as an argument in support of expanding the capacity of the Bureau for Bank Note Manufacturing (building a new factory), because even if we wanted to do it, this would be unfeasible today because up-to-date equipment cannot be imported (the sanctions). The second problem is furnishing quality paper for making bank notes, and that arises for the same reason—limited imports.

All of this suggests that it would be most expedient to turn toward general saving, that is, toward a more moderate printing of new bank notes and utilization of the capacity within the physical limits of what it can take. Conservation of paper and of the capacity of the printing plant would, of course, increase if bank notes were issued in higher denominations: For instance, the dinar equivalent of 500 German marks [DM] (people are saying—Why not do this when Germany has a bank note of DM1,000?). Nevertheless, the best scenario would be to halt hyperinflation and the large demands for printing cash, which is not possible without examining the main reasons, which brings us to realize that there is too much of it (cash), but not in the right places.

Causes

The projection of monetary policy adopted for the first quarter envisaged a growth of cash by 300 billion dinars (bringing total cash up to 770 billion dinars). But it is clear from the early developments that that limit cannot be held. This is indicated not only by the figures on hyperinflation, but also by the cash trends in January. During that month, 150 billion dinars of additional cash were added, which brought the total to 650 billion dinars. Thus, the amount of cash in January was almost up to the projection for the end of March. The conclusion that follows is clear: There is no restrictive monetary policy, and cash shortages occurring in the banks are the result of its obviously being redirected to other purposes.

The most logical explanation is that right at the moment there are three causes of the cash shortage in the banks. It is being redirected in order to supply two krajinas (the

wars additionally augment the amount of cash for those purposes). Then the cash turns up on the "black" market where it is being used to buy foreign currencies. Too little is left to pay salaries, pensions, and other payments that go through the banks. This, of course, does not mean that real funds are furnished to cover salaries and pensions even in these reduced amounts, because it is obvious that today it is not possible to pay them out of the revenues of firms and the budget.

The redirecting of cash to the Serbian krajinas is nothing new. It was noted for the first time when the "national" currencies were adopted in those regions. At that time, old dinars were replaced by krajina currencies, except that they (the dinars) were not destroyed (which would have been the logical thing to do), but by some "sleight of hand" they reached the territory of the FRY [Federal Republic of Yugoslavia], where by means of multiple "launderings" through certain banks they acquired the legality and treatment of money with which one can buy all available goods (or services). It had become clear even then that the price of financing the krajinas and of furnishing them goods (and services) would have to be paid on the territory of the FRY.

Today, no one can prove that the cash went to supply the krajinas. The people at the National Bank of Yugoslavia and the Agency for Settlement evade making definite answers. It is just from certain indirect indications that one can conclude that primary note issue and cash are serving the purpose of supplying the krajinas, which are chronically short of goods, and this is accentuated many times over under wartime conditions. The system of national banks and settlement agencies plays an important role in this domain on the principle, as it was put by Zarija Martinovic (general director of the Settlement Agency), of "visible goods for visible money," which requires immense quantities of cash, especially in an environment with a reduced supply of goods and with military conflicts on the border of the country. Here, the role of the Settlement Agency is reduced to the job of a messenger whose task is to transfer cash.

It is not difficult to figure out how cash is furnished for these purposes. By all appearances, in this case the banks do not have any direct role, and for the indirect connections, whereby imported goods (petroleum) are sold to the government for the cash (primary note issue) which is at issue, they could not be fingered as the culprits (the purpose to which it is to be put is not part of their jurisdiction and interest). It is certainly a question of financing (even) a variety of purposes with one and the same mechanism of primary note issue that is being used in all the states which are parties to the conflict.

The second problem which causes the shortage of cash in the banks occurs because it (cash) is obviously being diverted to "black" foreign exchange markets, where more than 40 percent of its total amount, according to certain estimates, flows like a river. Nor should we exclude here the phenomenon of "krajina" dinars for the purpose of obtaining foreign currencies, which under the present conditions of the embargo and blocked accounts would be the only way to obtain imports. But it is clear that on the "black" markets we have the phenomenon of cash of another kind (as well). The presence of all the banks (all forms of ownership) has been more or less noticed on those markets, except that recently there has been a noticeable decline in the participation of the most loudly bruited private institutions, because they are very short of cash, which they lack even to make payments of dinar savings. It is obvious that the National Bank and Settlement Agency have "closed" their cash faucet, without heeding very much the reactions of the "injured" private banks, which are pointing out the illogicality of being in good shape as business entities, of having liquid giro accounts, but of not having cash.

Cash, it seems, has become the principal tool of the National Bank and the Settlement Agency for "restraining" disobedient private banks. The National Bank has been suggesting for a long time this kind of instrument to bring the banks into "conformity." This was done with a regulation whereby the National Bank (and the Settlement Agency) was given the opportunity to control cash and guide it according to its own objectives of monetary policy. The automatic mechanism for turning money in giro accounts into cash was discontinued, and this measure was felt first by the so-called old banks, which had not been adhering to the principles of monetary policy that had been adopted and had not been respecting elementary discipline (they were using primary note issue and cash to buy foreign exchange and currency instead of for selective credit financing and the coverage of savings). Now the private banks have come under attack, and the harsh measures toward them are signaled by the cancellation of guarantees on dinar savings, that is, the refusal of primary note issue by the National Bank of Yugoslavia, in which the Settlement Agency concurred. This measure was applied because the private banks did not respond to the appeal to lower interest rates on dinar and foreign exchange savings. Given the shortage of cash, one of the private banks tried to find a way out through a new increase of interest rates on dinar savings and the larger inflow on that basis, which had results at first, but not lasting ones. In any case, the cash shortage in private banks could upset certain essential business objectives on the foreign exchange side as well. At this point, the private banks are not able to realize profits (even foreign exchange profits) with forward purchases of foreign currencies, and in the early going this will probably force them to lower interest rates, but also reduce their trade (imports), which is where their large sources of earnings are. It is difficult to say who if anyone will replace them today in that function, but one thing is certain: The government (the National Bank of Yugoslavia and Settlement Agency) has an alternative. This is obvious from the large amount of cash which, in spite of the restrictions, is to be found and is circulating on the "black market" (raising the exchange rate to the sky), at the moment the sole source of foreign currencies in this country (not counting the blocked accounts, the accounts of firms of domestic banks abroad, and the substantially "diminished" foreign exchange reserves).

Confidence

The reasons for the cash shortage can (also) be sought in the general lack of confidence of creditors toward states and banks. Cash and only cash is demanded because there is a fear and suspicion that the money will not be forthcoming through bank payments and credit transfers through giro accounts. That is one of the reasons why the share of cash, in spite of the shortage, is abnormally high in the money supply (it ranges about 41 percent, except that it falls as low as 22 percent after the payment of taxes and other imposts). Everyone wants cash and has no intention, because of the lack of confidence, in returning it to its proper place (the vaults of the Settlement Agency). Legislation is no help here, as the words of Zarija Martinovic indicate, when juridical persons do not turn over to the agency amounts in their daily till that exceed the allowed cash drawer maximum (along with prescribed purposes for which cash may be paid). Perhaps these regulations are too mild (symbolic fines) when bankruptcy and criminal prosecution are not possible. Nevertheless, it is obvious that the problem cannot be solved in an environment of general mistrust and legal disorder. In such an environment, even the banks cannot go on abiding by the rather complicated regulation concerning the maximum in the cash drawer, which is established as a function of payments on the basis of credit transactions and other banking transactions in the previous month (plus an undefined growth).

In any case, in the situation today it is not possible to build confidence in the banks when the public is paying (a part of) the bill in the form of hyperinflation, and directly by withdrawal of the right to income and to savings in the banks. The problem does not, of course, date from the emergence of adverse political circumstances and war, because it did originally show up much earlier in the form of losses of the states and the banks and the unwillingness to rehabilitate them with rapid changes in ownership. The example of old foreign exchange savings, of the foreign exchange reserves that have been spent, and of the suspended services to the public long before the political conflicts and war can be taken as evidence that this is actually the case. Of course, it is also possible to place this kind of system in the context of certain private banks being put in a difficult situation today and of being unable to pay savings to the public (or having increasing difficulty doing so). The problem is that all of this is happening in a situation of unaltered general conditions, which do not afford prospects of the situation normalizing, even if the shortage of cash in private banks became a lasting phenomenon, that is, if they took this as a warning that they must adapt their business policy to the new conditions. Those new conditions simply do not exist, the "black" foreign exchange market remains, it does not seem feasible in the short run to move it to the "enclosed" rooms of the banks, nor is regular payment of taxes to rationalize government budgets in the offing.

Private Fashion Firms' Success Confirmed

93BA0717A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 22 Feb 93 p 13

[Article by Milijana Barjaktarevic: "Fashion Fair: Two Sides of the Same Coin"]

[Text] The International Fashion Fair held in Belgrade from 16 to 19 February unambiguously confirmed that private enterprise has definitely become reality in this country of ours, the prettier side of reality at that. What is more, one gets the impression that the gap dividing socialized from private firms is so great, at least at first glance, that they seem to be in different geographic locations and diametrically opposite political and socioeconomic environments. That is, the situation in the socialized firms is characterized by a rapid drop of production, imports, and exports, which makes the developmental expansion of the private firms still more striking. Their number, to be sure, is still modest, but on the other hand because of the exclusiveness of their products, they have reached, and in certain commodity groups even exceeded, all the producers of the textile and leather-footwear industry which were renowned until recently. At the moment, Todor, Goma, and Lederland, among those that exhibited at the fair, are probably the most typical representatives of the new development philosophy which is rejecting inferiority vis-a-vis foreign partners a priori, when the time finally comes, after the blockade is removed, for their market promotion outside the borders of Yugoslavia.

Zivko Novakovic, general director of the Zelengora Knitwear Industry, and Jovica Djelic, superintendent of the ready-made clothing plant in the same firm, feel, however, that the situation would be much more tolerable in the socialized firms as well if under the circumstances of the blockade the government had shown the same degree of flexibility that exists in industry. More than 100 various documents have to be signed to obtain what little raw materials reach the border after all kinds of trouble. Both the banks and the customs authorities erect obstacles in this regard. As they see it, there is a way of firms surviving until the sanctions are removed, but the government turns a deaf ear to the demands of enterprises. In a situation, for example, when, as Novakovic says, more than half of the textile workers are on "sick leave," are living on funds from the republic fund, which inevitably will dry up soon, the government continues to collect import charges. In Zelengora, then, they think that all debts based on interest and customs duties should be frozen and at the same time joint solutions arrived at with the suppliers of raw materials and the trade sector, because it is obvious that everyone is hoeing his own row in a direction from which there is no return. At the moment, the trade sector is in a better position at the expense of production because it is still operating under the system of deferred payment and without guarantees. Resignation is also displayed because of the well-founded belief that the textile industry gave a great deal to the government in good

times, but received little in return. If the opinion of that industry's importance were expressed according to its influence, a proper distribution of investment funds would easily pull us out of the present situation, Novakovic says categorically. Unfortunately, however, all attention has been directed toward the metal industry and other far less resilient industries.

While the purchasing power of the public is dropping more and more, prices of textile products are rising daily. The factory price of a sweatsuit made at Zelengora was 200,000 dinars last week, while the average pay of a Yugoslav worker was 220,000 dinars. The factory in Umka was the largest and best-quality producer of bathing suits in the old Yugoslavia. Every year it sold goods on the market of the USSR worth between $10 and $11 million. Probably the best evidence that the factory's destruction is nearly complete is the datum that the general director's salary in January was 228,000 dinars, exactly the same as that of a cleaning woman.

In the light of these facts, the position of the Todor Factory, which makes children's clothes, tablecloth-napkin sets, and bed linen, owned by Mirko Todorovic of Vrnjacka Banja, seems almost unreal. The exclusiveness of the collection exhibited at the fair, the sophisticated way in which it was presented, and that includes the way the booth itself was set up, all looked basically as though Mirko Todorovic did not come to Belgrade during a time of blockade, but to one of the European fashion fairs to deliver his foreign partners a lecture on how profit is made. The collection was designed by Biserka Tomasevic. She worked for 15 years in Ateks. Todorovic explains her move over to Vrnjacka Banja this way: Whereas 25,000 to 30,000 marks are paid for a third-rate soccer player to make a move, I was ready to reward Biserka Tomasevic with a car. By contrast with the socialized firms, in Todor she has absolute freedom of expression. It was only at the fair that I saw the kind of collection she had made. I have brought together in my firm a team of first-rate experts. We have set ourselves the goal of producing superb quality in the belief that we are capable of it. If I am to succeed, I must have the best personnel, and I pay them so that they never want to leave my factory. The incentives are at the level of a successful clothing company in Europe. They will also get special rewards for the very great success of our collection at the fair. Todor has existed from the moment when the government adopted regulations allowing it to be created. That is, four years. In a time of atrophy of the socialized sector, Todorovic made an investment in business premises with an area of 4,000 square meters, including a restaurant (smorgasbord), swimming pool, tennis court, soccer field, and luxurious apartments for trading partners outside the borders of Yugoslavia. He says that he has been successful in fascinating them when they come, because they expect to find us dead. And also that it is only after the blockade is terminated that they will realize what Todor is capable of doing. "We will be at the very top of Yugoslavia, and quite possibly even the world."

Lederland is owned by the Radovanovic brothers Nenad and Slobodan. It made its first appearance at the Belgrade fair less than two years ago as an outsider in the production of leather accessories, and then last week the firm introduced itself with the richest and most exclusive collection. To make the paradox still greater, Slobodan Radovanovic is at the same time the chief designer, but a dentist by profession. In the space of one year, the volume of output in this factory in Stara Pazova has increased by about 40 percent. Before the blockade, stylish women's purses were judged to be the best in the middle category on the Italian market, where 5,000 were sold each month. The 50 designs in the collection at the fair, including both men's and women's briefcases and small accessories, have surpassed their previous market position in quality and design. A work force of 50, the most up-to-date Italian equipment, and solid salaries. Ljiljana Bojic, the firm's manager, says that she will never abandon quality for higher sales just because times are bad. After all, Lederland is still managing to export to Italy in somewhat smaller volume because of the marked difficulties in transfer. Two sides of the same coin. That, in brief, covers the fashion fair in Belgrade which has just ended.

Power Struggle in Krajina Analyzed

93BA0718A Belgrade VREME in Serbo-Croatian 1 Mar 93 pp 18-19

[Article by Filip Svarm: "The Good, the Bad, and the Ugly"]

[Text] In the negotiations with the delegation of the RSK [Serbian Republic Krajina], which was headed by its president, Goran Hadzic, the cochairmen of the peace conference, Cyrus Vance and Lord David Owen, must have felt how much truth there was in Hadzic's judgment of himself. That is, he said of himself in NOVISADSKI INDEKS: "They have all been wrong about me. They thought I was semiliterate, I did not graduate from the university, so I am stupid! But I am a gambler, and as soon as I see a man, I know what he is thinking. When I talk to Carrington, Vance, Owen, I understand English, but I wait for them to translate it for me so that I have time to think it over.... I have an innate feel for diplomacy. After all, it is not all the same whether a girl refuses you with the words 'No, you are ugly,' or 'I am sorry, I do not have the time.'"

Attack and Defense

In any case, Hadzic at the moment has fewer problems in the negotiations than he has in his own unrecognized state. If the former "are sorry, but they do not have the time," quite a few of the latter obviously consider him "ugly." No sooner had he had an occasion to demonstrate his negotiating abilities, than his political team was shaken to the foundations. Probably in expectation of something like that, he had attempted to make preventive moves, and through his prime minister, Zdravko Zecevic, he had replaced three ministers and one deputy

prime minister. All of them, above all the former defense minister, Stojan Spanovic, are thought to be close to Milan Babic, the powerful president of Knin Opcina. But, contrary to expectations, their removal was only a signal for the avalanche of an attack initiated by the perpetual minister of internal affairs, Mile Martic. Hadzic's entire policy was called into question—both "gullibility" toward the UNPROFOR [UN Protection Force] and also the actions taken by the president's adviser, Zeljko "Arkan" Raznatovic. Opponents did not even stop short of charges of corruption and crime.

The negotiations in New York were brought to an end in the meantime. Cyrus Vance and David Owen informed the Security Council that an agreement in principle had been reached on a cease-fire, withdrawal of the Croatian Army, and the placement of heavy weapons under UNPROFOR control, but that the agreement had not taken effect because of points in dispute concerning police authority in the so-called pink zones. Vance hopes that everything will be worked out when the negotiations continue at the end of February in Geneva. Although the Krajina delegation proposed in the United Nations a "firm" resolution whose ultimate purpose would be recognition of Krajina as an independent state, which is unacceptable both to Croatia and the international community, which stands behind the Vance Plan, on their return the press release of the Serbian Democratic Party of Krajina, signed by the chairman of its Executive Board, Milan Babic, was waiting for it. Its members are accused of having gone to New York without approval of the RSK Assembly, and of "thoughtlessly undertaking to give up a part of Serbian territory in the negotiations—relinquishing it to our enemies." Babic goes on to allege that a struggle for dominance is raging at the top levels of Krajina institutions and that a military-police dictatorship has been introduced in certain segments of it—all of which confuses friends and encourages enemies. Mile Paspalj, president of the RSK Assembly, directly confirmed in a press conference on his return from New York (it was said of the absent Hadzic that he was ill) that Babic's opinion is not isolated. He said that an agreement was on the horizon—"Messrs. Vance and Owen, Okun and Andersen offered us recognition of the RSK, but provided we give up the 'pink zones.' We explained that the 'pink zones' are ethnically the purest Serbian areas and that a bargain in that direction is out of the question." Be that as it may, it is difficult to believe in such offers.

Arkansas

Hadzic and the Krajina officials who favor him are in a doubly unenviable position: On the one hand, they have to negotiate, while on the other they are losing in the negotiations. Although they did live to see an official invitation from the cochairmen of the peace conference, they are aware that the agreement offered represents a defeat in the long run. That is, if an agreement is made that the disputed localities in the Zadar hinterland are to be under UNPROFOR control, that will actually be the first Krajina withdrawal resulting from military-diplomatic pressures. What is more, from Beli Manastir to Knin an economy underdeveloped anyway has experienced complete collapse during the last two years of war. There is a shortage of electric power, fuel, and various staples.... In practical terms, no one is working, people are surviving literally at the level of minimum subsistence, and because a sizable portion of Krajina opcinas in Lika and Dalmatia have based their development on trade and tourism, the prospects are still more troubled. The FRY, already brought fully to its knees under the burden of the economic sanctions, is less and less in a position to help itself—the idea of all Serbs in one state is probably being defended to the last Serb, but the last Serb outside Serbia. Perhaps even Hadzic was to some extent aware of that when he asked Dr. Boutros Ghali, UN secretary general, not to punish Krajina indirectly with economic sanctions and to allow it to open a border crossing at Beli Manastir.

It is no wonder that smuggling systems have become ramified in Krajina and wealth has been acquired from human suffering—everything known under the name of war profiteering, and the war profiteers, to no one's surprise, are mainly people close to the government. In the crescendo of current political showdowns, foreign security agencies of the Serbian Army are said to have confiscated smuggled goods in Banija worth 5 million German marks [DM]. The president of Petrinja Opcina has declared that "our smugglers have sold cigarettes, but also weapons, to Muslims in Cazin Krajina." It seems that trials have begun of some of the participants in those transactions, trials organized by the military, and so Vojin Susa, RSK minister of jurisprudence, has demanded that the Banija military courts be dissolved. The demand was substantiated on formal and procedural grounds—the laws regulating their operation had not been affirmed, and they are contrary to decrees of President Hadzic. It is well-known that in Krajina, under the prevailing conditions of war communism, there has been wheeling and dealing with virtually everything. Theft, as a human failing, is certainly not foreign at all, and there is even talk about organized groups which systematically emptied houses abandoned in parts of the Zadar hinterland. Those familiar with the Krajina situation say that one particularly lucrative line of business is to play Mafia games with petroleum, which is centered in Mirkovci, and the godfather of all godfathers is said to be Zeljko "Arkan" Raznatovic, people's deputy in one state and special presidential adviser in another state. The same sources say that Arkan, since back during his first visit in eastern Slavonia in 1992, has been collaborating closely with Hadzic. Later, when Hadzic became what he became, he awarded Arkan, so it is alleged, a special concession for Krajina petroleum and certain other scarce goods as a reward for support in certain touchy situations, precisely the way Milos Obrenovic once rewarded Captain Misa with salt; the difference is that this time nothing was put in writing. There are also cynical reflections to the effect that Arkan and his

"tigers" have again become engaged militarily in Krajina, which they refer to as "Arkansas," above all for control of business interests in the confused new wartime circumstances.

In any case, many people in Krajina display a nostalgia for the times of the "proven leaders of the people," Babic and Martic. At that time, pretty much everything was available, the Croatian Armed Forces seemed to be a paper tiger, and expansion, armed by the JNA [Yugoslav People's Army] of that time, seemed unlimited. Also, in spite of all the rumors going around, both Babic and Martic were in Knin, to be sure, with countless privileges, but nevertheless "with their people." By contrast with them, Hadzic by and large spends his time in his three-room apartment in Novi Sad, he is enrolling for the third year in the School of Economics (he took two in Osijek before he interrupted his studies), and he splashes around in the water on Sveti Stefan. After the limited resumption of the war in Ravni Kotari and the sense of abandonment which it evoked, Babic found himself at the center of attention—the man is now saying that he knew what would happen and that he stood in opposition to it until Slobodan Milosevic, with Hadzic's assistance, removed him from the political stage.

All Men of Principle

The explosion of political disagreements in Krajina received its greatest publicity thanks to the statements of Martic and Hadzic. The minister of internal affairs made the first one—he said on the daily news program over Knin Television that General Mile Novakovic, chief of staff of the Serbian Army of the RSK, had ordered Arkan and his units to leave Krajina "because of meddling in politics and a cruel attitude toward the local population." The reply from the presidential adviser was not long in coming—he said that he had been a member of the government since 28 February 1992 and that he had the right to be involved in politics, and he sent a message to Martic that Krajina "is not his little kingdom so that he has to be asked whether Serbian volunteers can come or not." Arkan says that in Obrovac he found a chaotic situation and desertions and that his people had only restored order, but with a "firm hand." Be that as it may, Gen. Novakovic, whose name had been mentioned, neither confirmed nor denied Martic's statement. In the press conference which he held, he avoided most of the specific answers, sticking to general statements about the need for unity imposed on military and political grounds, more accurately, for a unified command—as though he were waiting for the development of future events, that is, to see which side would win out. Nevertheless, it should not be ignored that the greatest conflict with Arkan's volunteers was that of his direct subordinate, Jovo Dopuda, chief of staff in Obrovac, who accused Arkan's Colonel Mihajlo Ulmek of establishing terror in that city. Arkan has also been accused of removing Martic's police personnel in Vukovar, his purpose, it is said, having been the desire to show who is actually boss.

At the moment, most of the main participants in the conflicts are in Belgrade—Arkan, Babic, Hadzic, Paspalj.... They would like to portray their conflicts as strict matters of principle and to gain credibility with President Milosevic, who figures as the ultimate arbiter on all Serbian matters—he is supposed to determine who is bad, who is good, and who is ugly, although he is showing less and less interest in all that. In this connection, Mile Martic suggested to Babic that he tell his side, which the latter refused with indignation. Nor are the Krajina elections scheduled for 30 March unimportant. The present authorities say that the conditions are not right because of the events of the war, although the judgment is that the real reason for postponement is their certain defeat. It is interesting that Babic's faction, which is insisting on the elections and at the same time denying the legitimacy of the present officials, is building its legitimacy on elections held in Croatia in May 1990.

In the meantime, Krajina has been in a vacuum. It seems that Belgrade is slowly taking its hand away, leaving it to international mechanisms and the Vance Plan. Hadzic, as the principal exponent of that policy, has been placed in a situation of taking the consequences—Babic's accusation of the SK-PJ [League of Communists—Movement for Yugoslavia] actually hurt Milosevic (who at this point is more or less indifferent), because, it is said, of his insistence on some kind of Yugoslavia instead of having openly said that the objective of the two-year war was Serbia in "its own natural and historical borders." In a situation when most of the inhabitants of Krajina are afraid of harsh Croatian revanchism, because of the feeling of having been abandoned by Belgrade, his insistence on uncompromising statehood has a real and firm support. Nevertheless, there is encouragement in the fact that because of all this, each for his own reasons, and additionally pressured from outside, the authorities in Zagreb and the Serbs in Croatia have begun negotiations with one another.

War Against Crime, Profiteers in Baranja

93BA0697B Belgrade POLITIKA in Serbo-Croatian 23 Feb 93 p 7

[Article by Rade Subotic: "War Declared in Baranja Against Wartime Profiteers: Getting Rich From Others' Troubles"]

[Text] *Through a decision by the Executive Council in Beli Manastir, 27 managers have been replaced; drumhead court-martial for the disobedient; criminals and murderers arrested.*

Beli Manastir, 22 Feb—In the shadow of war that has settled over Baranja, the Executive Council of the opstina has begun a major campaign, through a general mobilization, to expose and replace wartime profiteers and to arrest criminals and murderers.

Based on the findings of the financial police, whose work is not yet complete, the Executive Council decided to immediately and irrevocably replace 27 directors and

managers because they are the owners or co-owners of private firms in Baranja. In fact, some of Baranja's leading figures have tried to "hide" by opening a company in their wife's, child's, or relative's name, but they too have been quickly uncovered.

The findings of the financial police and the publication of the names of the directors who were replaced were received with satisfaction by the citizens, who are barely surviving under the current economic and wartime conditions. Naturally, there was also astonishment when the names of the replaced leading figures were announced, because many of them were learned and respected people. Thus, among the people replaced were Milan Miljatovic, the recently appointed director of the "Dunav" trading company, Eng. Mirko Cegar, the director of "Jelena Baranja," Eng. Savo Ristic, the technical director of "Belje Holding DD" Meat Industry, Ratko Gondi, the director of "Dunav" Insurance Company, Radoslav Zdjelarevic, the manager of the general and legal service of "Belje Holding DD," and others.

The citizens are relieved that all those who wanted to get rich quick have been replaced, but they are dissatisfied that the replacements were not followed by dismissals as well. In this way, they all remain employed and received a salary while many people are waiting for any kind of job.

The Executive Council decision to replace the directors provoked discontent among the individuals targeted by this Baranja government campaign. Individuals are coming forward and declaring that they will not leave their posts while seeking help from employees in the collectives.

In a message last night carried on Radio Beli Manastir, the president of the opstina, Borivoje Zivanovic, said that all directors and managers who refuse to implement the Executive Council decision will be removed through decisions by a court-martial.

"The decision on replacing people in leading positions adopted by the Executive Council is final and is not subject to appeal, because we are at a state of war," President Zivanovic said to all the discontented people.

At the same time as the campaign by the financial police, the Beli Manastir SUP [Secretariat of Internal Affairs] launched a widespread campaign to uncover and arrest criminals, profiteers, smugglers, and murderers. The arrestees, who are in prison, have decided to talk, so that there is no doubt that many dirty deeds and intrigues committed during the war, but also afterwards, will come to light before long.

Military Court in Banija Against Crime

93BA0697C Belgrade POLITIKA in Serbo-Croatian 23 Feb 93 p 6

[Article by Dj. Djukic: "Meeting of Presidents of Glina, Petrinja, and Kostajnica Opstinas: Military Justice Rectified Situation in Banija"]

[Text] *Criminal activities uncovered and smuggling channels for wartime profiteers interrupted.*

Petrinja, 22 Feb—The presidents of Glina, Petrinja, and Kostajnica opstinas met with journalists today to comment on the situation that has arisen following the introduction of military justice to Banija and on the various reactions subsequently encountered among the Krajinan public.

Dragan Vojinovic said that the introduction of military justice has significantly changed the situation for the better.

"The results reflect the efficiency of institutions of military justice, because at the very outset criminal activities were uncovered and smuggling channels for wartime profiteers were interrupted. Our citizens accept this, because now their security is greater in terms of there being less of a chance that one group will wage war and sacrifice their lives while another group gets rich. There is a much higher level of responsibility now because the profiteers can expect sanctions for illegal activities.

"While all the Serbs in the former Bosnia-Herzegovina have been perishing, our smugglers have been supplying the Muslims with food, but also with arms. We from Petrinja were criticized for that when we visited the battlefield there. This sort of trend must continue.

"If the latest threats by the Ministry of Justice and the Krajinan government are carried out and if they seek responsibility by the Command of the Serbian Armed Forces for Banija, then we in the civilian authorities are also responsible, because we gave them our support," Vojinovic said.

Ljubomir Madjarac, the president of the SO [Serbian Opstina of] Glina, emphasized that the Glina Opstina authorities previously asked for government assistance in preventing smuggling and crime, but that that help was not forthcoming.

"I am not aware of any negative reactions to what is happening in Banija, but I do know that lately there has been an excellent degree of cooperation between civilian and military authorities, and that the people here welcome the introduction of order," Madjarac said.

Mirko Janic, the president of the SO Kostajnica, also calls the current trends in Banija positive, because this is the only way to prevent numerous negative aspects under these conditions. He said that there have been individual reactions from the government because there is not enough genuine information about what is actually happening in Banija.

Meeting of Serbs From Croatia, RSK

93BA0715A Belgrade BORBA in Serbo-Croatian 3 Mar 93 p 6

[Article by S.P. Stamatovic: "Meeting of Association of Serbs From Croatia and RSK [Republic of Serbian Krajina]: Harsh Criticism of Krajinan Leadership"]

[Text]"A battle must be waged in Krajina for the unity of all. In questions of survival and protection, every Serb there is valuable. We cannot permit a schism and a struggle by individuals for power," said Radmilo Bogdanovic, the vice chairman of the Chamber of Republics of the Federal Assembly and chairman of Republican Committee for Relations with Serbs Outside Serbia, participating as a guest in a meeting of the Association of Serbs from Croatia and the RSK [Republic of Serbian Krajina] the evening before last. "It is in this second function that I am attending the meeting," Bogdanovic said. The basic focus of the three-hour meeting was extensive and harsh criticism directed at the current Krajinan leadership. There was not a single participant in the discussion who did not refer to the numerous mistakes made by the authorities in the RSK.

Association President Mihailo Vucinic said that the Association welcomes the statement by Goran Hadzic about achieved unity, but "wonders how realistic and feasible that sort of statement is in the field in the RSK." Information coming from Krajina is contradictory and subjective, everyone has his own truth, and it appears that the situation there is dramatic. Mutual accusations by people in power are assuming the proportions of political lynching. There is way too much impatience and animosity, said Vucinic, emphasizing that "leading people in Krajina have turned a deaf ear to our warnings about the serious situation." Vucinic feels that elections in the RSK are the only real way to legitimize the authorities there, and that they should "consult the leadership of Serbia and only then make up their minds." He also criticized the work of the RSK's representatives in Belgrade and appealed for the establishment of harmony.

"Why does the Krajinan government have 17 offices in downtown Belgrade?" asked Dusan Kulic, while Dr. Stojan Dzelajlija emphasized that it has often been unclear where aid sent to Krajina has ended up and referred to the major problem of resolving the status of refugees from cities in Croatia. He also cited the fact that 193 Serbian towns in western Slavonia have been completely ethnically cleansed. Rade Tanjga, the chief of the Military Staff of the RSK, put forward the theory that "the majority of things have resulted from the incompetence of the authorities in the RSK" and that they are "people who have been brought to the surface and who most of all are not familiar with the technology of power." Referring to the fact that judicial, executive, and legislative authority are not functioning in the RSK, Tanjga proposed "the formulation of a strategic plan for Krajina," giving special emphasis to the fact that all decisions must be enacted in the Assembly.

Questions were also raised about who is behind the authorities in Krajina—something that ultimately must be stated openly.

Criticism of the Krajinan government, which "does not maintain connections with representatives of the opstinas, in other words with local authorities who must take operative action in the field" was also expressed by Radmilo Bogdanovic. Summarizing the discussion, he stressed that "it is necessary to recognize all the areas where there have been failures and to supplement the RSK government with competent people in key positions."

The meeting was also attended by Metropolitan Jovan of Zagreb-Ljubljana. He expressed his support for overcoming divisions "by way of elections" and said that "the question of legal and legitimate authority is a vital question."

Serbia

SPO Deputy Accuses Seselj of Being Croatian Agent

AU2303084293 Belgrade BORBA in Serbo-Croatian 17 Mar 93 p 7

[Report by C. Milivojevic: "Is the Duke Fleeing to Croatia?"]

[Text] Belgrade—The people's deputy, Aleksandar Taskovic, yesterday addressed a letter to the presidents of the Assembly and the Government of Serbia, in which he requested that the passport of President of the Serbian Radical Party [SRS] Vojislav Seselj be confiscated "because he has committed the crime of betrayal of the Republic of Serbia, and because of indications that he was preparing to flee to Croatia."

This sensational news was announced at yesterday's press conference in the International Press Center by Mihajlo Markovic, deputy president of the Serbian Renewal Movement [SPO], because—as he said—Taskovic, a deputy in the Serbian Assembly, could not personally attend the press conference owing to blackmail and repeated threats to himself and his family. The crucial name which arises in connection with this accusation against Duke [vojvoda] Seselj, is Mirjana Zelen-Maksa, known to the public for her involvement in the financial scam that happened two years ago, when the Vatican floated a loan to Croatia, and Maksa presented herself as an adviser to the Croatian Ministry of Finance.

Taskovic's story dates back to March of last year, and to Seselj's visit to Madrid, where he met the self-proclaimed Prince Aleksej Dolgoruki Nemanjic. In his letter, Taskovic claims that Mirjana Zelen-Maksa spent the entire Madrid trip at Seselj's side, while he was trying, in Tudjman's interest, morally to degrade the

only person to lay claim to the Serbian crown (heir apparent Aleksandar Karadzordzevic). The letter, addressed to the Serbian Assembly and Government, goes on to disclose that Seselj, trained and instructed by Tudjman's adviser, Mirjana Maksa, invented the story that the heir apparent was a member of the Catholic Order of the Knights of Malta, whose membership includes both Dolgoruki and Tudjman, while Seselj himself had actually become a member, too. Taskovic further claims that Aleksej Dolgoruki was awarded the Pavelic decoration, the Zvonimir Cross [a medal from the World War II fascist Croatia].

Based on all this, the SPO deputy claims that Seselj is in the service of a foreign and enemy country, and that acting on the orders of the Croatian Government, he is carrying out missions which are proving damaging to Serbia and the Serbian national interest (the liquidation of prominent members of the Serbian intelligentsia, supporting civil war, and portraying Serbs as being butchers and monsters....)

The SPO has announced that it will present new evidence to support these accusations, among which is the "curious fact that two years ago, Seselj was arrested and set free on the same day by the Croatian authorities in Slavonia."

Various Private Firms Import Oil, Prices Increasing

AU1903164393 Belgrade BORBA in Serbo-Croatian 18 Mar 93 p 6

[Report by J. P.: "Posejdon—God of Oil"]

[Text] Belgrade—Since the Serbian "ministerial affair" is well seasoned with oil, the question of "who in Serbia is importing oil and oil derivatives" has recently been particularly topical.

The fact that Belgrade Jugopetrol, Novi Sad Naftagas Promet (two leading firms in the oil industry in Serbia), and Beopetrol undertook this job in September 1991, when the Adriatic oil pipeline was shut off, is understandable. However, many other firms have become engaged in this business. For instance, Genex imported about 30,000 tonnes of derivatives last year; Jugodrvo, a firm whose name is directly connected with the ministerial core, imported about 22,000 tonnes of diesel and more than 4,000 tonnes of gasoline.

Among the importers of oil in Serbia there are a number of relatively anonymous firms such as EKSP from Pirot, a Belgrade firm Trejders A, Interpromet from Rozaje-...Sunce from Novi Sad, which, for example, imported 1,000 tonnes of gasoline. Nis Ekspres imported 1,500 tonnes of gasoline and as much as 14,500 tonnes of diesel. Udarnik from Pec was involved in the oil business, too. On the free world market it purchased 13,000 tonnes of diesel.

It is interesting that private firms have helped the Serbian crisis headquarters by importing heating fuel in order to fulfill its annual obligations. Belgrade firms Posejdon and Marketing jointly secured more than 50,000 tonnes of this fuel.

That this expansion of the list of importers was necessary is evident if one compares Serbia's annual needs (5.3 million tonnes of crude oil) and the domestic production of derivatives from crude oil pumped in oil fields in Vojvodina and Stig. In 1992, a record year, the Pancevo refinery received more than 1.1 million tonnes of this "black gold" from domestic oil fields. Nis imported about 2 million tonnes of crude oil and almost one million tonnes of various derivatives. Despite this, the market in Serbia, even before the introduction of the oil embargo, was suffering from a shortage of oil derivatives.

Because of the shortage of gasoline and other derivatives, the import of these products is regarded by the public as a real patriotic act. However, some oil profiteers have started successfully to hide behind it. With the tightening of the circle around the Federal Republic of Yugoslavia, the price of derivatives has become increasingly high for the end buyer. The chain of those who deserve praise for importing oil has been successfully joined by many other people, including some ministers.

Speculation on Trade Minister's Arrest

93BA0715E Belgrade BORBA in Serbo-Croatian 3 Mar 93 p 9

[Article by Velimir Ilic: "Will Bozovic Keep Quiet?"]

[Text] *Is the first round of the state campaign against crime announced by Serbian President Slobodan Milosevic in his program under way, or is this a "routine investigation"? Whatever the case, a former minister of trade and tourism in the republican government, Sava Vlajkovic has been taken in and detained "for interrogation based on the well-founded suspicion of having committed criminal acts that are prosecuted ex officio." MUP [Ministry of Internal Affairs] officials have also taken in Andrija Jovicic (Vlajkovic's and the current) deputy minister of trade, and Divna Korac, a market inspector from Valjevo.*

Given the fact that the official information concerning this case is almost hermetically sealed "in the interest of the investigation," numerous unofficial versions of Vlajkovic's "past service" are in circulation. Many people familiar with conditions in Vojvodina (Vlajkovic was a provincial cadre), and even coworkers of the former minister, are trying to link his previous activities to former Serbian Prime Minister Radoman Bozovic, who brought Vlajkovic to his ministerial position from the post of director of the Provincial Fund for Economic Development.

In this context, Vojvodinans tend to insist that Bozovic himself will absolutely have to speak out on the entire

case—either by denying any connection with Vlajkovic's dealings (if it is determined that they are illegal) or by commenting on the arrest and investigation, given the fact that the former minister was directly subordinate to Bozovic with very important responsibilities in the government.

Sava Vlajkovic took over the Ministry of Trade and Tourism from Tefik Lugici, the minister in the Dragutin Zelenovic administration, parts of which disappeared from the scene in December 1991 after the prime minister's resignation. For many people at the time, he was an unknown businessman, but only a couple of months later, through a concurrence of circumstances, his name appeared in the press, with a "Vojvodinan intonation." Specifically, Milan Paroski, the former parliamentary deputy and leader of the People's Party, insisted before colleagues in the Serbian Assembly that the case of the "sale of Fruska Gora" be cleared up, alleging that the main actors were Radoman Bozovic, Koviljko Lovre, and Sava Vlajkovic. Lovre and Vlajkovic were allegedly the main negotiators with Italians who were supposed to "rent" deluxe villas and hunting areas in Fruska Gora National Park. According to many assessments, Paroski "went too far in giving the main actors maneuvering room," and the entire case was forgotten rather quickly.

Minister Vlajkovic was implicated by "Borovo" merchants as well, but that case did not lose him his ministerial post either. Unofficially, the "issue was laid to rest" thanks to Bozovic, who insisted that his minister revoke the decision to close 223 "Borovo" stores, because of which several hundred of that company's merchants had asked for his dismissal. This protest in March 1992 began with charges by merchants that Vlajkovic, as chairman of the management board of "Borovo" Holding, was behind that combine's "diversion of money" through the opening of two companies (Novi Sad and Sombor) in order to evade state control over the flow of money from daily receipts. The merchants also charged the minister with evading taxes and contributions (citing a figure of 90 million dinars at their value at that time), machinations with housing.... Sava Vlajkovic responded to the "Borovo" merchants' demands that he resign or be replaced with a short message: "The Assembly elected me, and the Assembly is the only one that can replace me."

The Assembly's handling of the "Vlajkovic-Borovo" case was short and very politically elegant. In short, (once again) Paroski asked that an inquiry commission be formed to "investigate financial misconduct by the Vojvodina government and republican Minister of Trade Sava Vlajkovic in the 'Borovo' combine and regarding the closing of stores...," alleging that "Vlajkovic assumed the role of court of justice" and that "with his blessing money was exempted from taxes." In trying to convince deputies, Paroski also insisted that "under orders from the SDK [Public Auditing Service], all participants in the misconduct should be criminally prosecuted." President Aleksandar Bakocevic then stated in a routine manner that "in a rule-of-law state, everyone must bear responsibility for misconduct, but first the facts must be established." A similar stance was announced on behalf of the government by Vice Prime Minister Nebojsa Maljkovic.

After this sequence of events, the motion to form an inquiry commission to deal with Milan Paroski's allegations and the SDK's findings fell 15 votes short (60 deputies voted "yes"). What followed instead was a so-called "working conclusion" by the Assembly that the government must provide parliament with information on the entire case so that "the Assembly can settle the issue in a well-argumented fashion." The information had not yet arrived by the time the terms of those deputies had expired! Thus, Paroski's next initiative (with another 20 deputies), that a vote of no-confidence in Minister Vlajkovic be passed, also went nowhere. So the mutual charges leveled between the "Borovo" merchants and Vlajkovic concerning the squandering and embezzlement of money outside state control quickly became a thing of the past. Milan Paroski's only comment was, "He was saved by Bozovic; they are buddies."

Whatever the case, even at beginning of Bozovic's term as prime minister, a point was made in Vojvodinan political and economic circles about his not only business but also personal ties with Sava Vlajkovic, allegedly dating back to their days in the military, and then from the time when Vlajkovic was in the management of "Merkur" in Backa Palanka.

The range of Vlajkovic's ministerial involvement was extended, according to business people from Montenegro, to the Montenegrin economy and tourism. None of them is willing to say how and in what way, but close cooperation is indicated by the reminder that during last year's summer vacation in Budva Sava Vlajkovic was often in the company of the director of "Budvanska Rivijera," Miodrag Mirovic, the president of Budva Opstina, Miroslav Jovanovic, and his ministerial counterpart in the Montenegrin government, Dragan Miric. Mention is also made in this context of Vlajkovic's alleged business cooperation with the private company "Alema" in Niksic, which was also linked during the preelection campaign to Prime Minister Djukanovic.

Legally speaking, no one is guilty until so proven, so that the entire case linked to the name of the former Serbian minister of trade and his coworkers remains for the time being in the shadow of the official report. Thus, "the persons in question were detained for interrogation based on the well-founded suspicion of having committed criminal acts that are prosecuted ex officio." Legal experts say that the legalistic term "ex officio" implies at least 200 acts to which sanctions apply under the current penal code. In these cases, the suspects are charged either by the competent organs of the MUP based on what they know or otherwise under orders from the prosecutor.

[Box, p 9]

Bozovic's Guest

Several days ago, reporters standing in front of the office of the newly elected chairman of the Chamber of Citizens of the FRY [Federal Republic of Yugoslavia] Assembly, Radoman Bozovic, waiting to find out when parliament will choose a new government noticed a guest who, unlike them, had no problem getting into the chairman's office. It was ex-Minister of Trade Sava Vlajkovic. Some people linked his visit at that time to the assignment of ministerial posts in the federal government, but the subject of his meeting with Bozovic remained a secret.

[Box, p 9]

"Greasing the Palm" with Cooking Oil, Flour, and Sugar?

Given the fact that the Ministry of Trade has assumed some of the responsibilities of the Economic Chamber, it seems likely that through the mediation of Sava Vlajkovic certain trading houses and companies have had the opportunity to gain easier access to products in short supply, such as cooking oil, flour, sugar.... Besides this assumption, BORBA's unofficial sources note that some of Vlajkovic's guilt could also be linked to trade "ties" with the Serbian Republic [of Bosnia-Herzegovina] and with the Republic of Serbian Krajina, which often could not go into effect without the signatures of competent authorities in the Ministry of Trade and Tourism.

Corruption Continues Despite War on Crime

93BA0715C Belgrade BORBA in Serbo-Croatian 3 Mar 93 p 10

[Article by Milos Milisic: "Kraljevo Crime 'at High Level': 2,000 Marks for Racket Service"]

[Text] *Despite promises from the top echelons of the Serbian government and even from the president of the Republic himself concerning a resolute showdown with legalized crime, Kraljevo is increasingly bearing the brunt of illegal activities, through which, based on the "clean hands" system, more and more social property is becoming impoverished, after which it easily and cheaply passes into the hands of skillful private businessmen.*

You can could on your fingers the directors who have not gone into private business over night and acquired capital and "standing," while on the other hand the enterprises that they manage are closer and closer to collapse.

This actually involves a simple, clever trick that directors of a large number of local (and not only local) enterprises have "eaten up": By using their business connections, state cars, telephones, and money, they direct major, profitable business toward private companies that these same people have opened in the name of members of their family. Since there is practically no way for them to end up in the halls of justice for this sort of activity, social property thus simply "changes owner," while those through whose toil and sweat it was acquired remain short changed.

What was once the most exemplary and profitable company in Kraljevo, "Papir Promet," has fallen on hard times, for example, especially since of the 343 employees more than 100 workers have their own private shops. They were first opened by General Director Voja Blagojevic and his Deputy Dragan Siljkovic, although admittedly the shops are not the property of those two managers, but rather of their sons and close relatives.

We find a similar example at Kraljevo's "Beograd" Department Store. There is almost no manager who has not gone into private business. The same has been done by Nikola Tadic, the director of the "Buducnost" Clothing Store, Ljubisa Rozgic of the "Gvozdjar" Trading Company, Radomir Djurovic, the director of "Stoteks," and Stojadin Djogatovic, the top man at "Slovo." However, these four were recently removed from their posts because they were more concerned about their own companies than about the state enterprises.

There is much talk in Kraljevo lately about an automobile mafia active in western Serbia and the Morava basin. We have learned unofficially that this organized gang was headed by Petar Glavcic, a former inspector with the Department of Internal Affairs in Trstenik. Besides him, several other participants have been arrested, but because of the investigation their names have not yet been disclosed. For now it is known that the detainees were involved in stealing and reselling cars. They altered the stolen cars and sold them with forged registration papers. It is said that several prominent Kraljevo residents are involved in this dirty business, but the automobile mafia has been exposed almost exclusively through its own carelessness. Specifically, one of its bosses contacted the owner of a stolen car by telephone demanding 2,000 marks for the racket service. The quick-witted owner said that he could not come up with the money right away, but could do so in a few days. In the interim, a tracing device was put on the phone which detected the caller's telephone number. The identities of the suspects and the number of cars that have changed owners in this way remain to be determined.

Biographic Data on Serbian Fighter Arkan

93BA0683A Belgrade DUGA in Serbo-Croatian 30 Jan-12 Feb 93 pp 16-21

[Article by Dada Vujasinovic: "Secret File on Arkan: Early Jobs, Paths of Revolution, and Parliamentary Rehabilitation: Pedagogic Poem"]

[Text] *For socialist and divine Serbia, no one is ever, under any circumstances, irrevocably lost. That is why at its most difficult moments the fatherland always has plenty of true sons who will fight and struggle, with self-sacrifice and without giving quarter, for its freedom,*

reputation, heritage, prosperity, and future in the world community of civilized nations.

The celebrated commander of the Serbian Volunteer Guard [SDG], former legend of the Belgrade underworld, pastry shop owner, and dealer, Zeljko Raznjatovic Arkan, by the will of the Serbian voters of Kosovo, has become a people's deputy. One of the 250 people's representatives to the Serbian parliament before which the reelected president of the republic, Slobodan Milosevic, will take his oath, among other things.

During the preelection campaign, Raznjatovic spent a few days strolling around Kosovo, where without exaggerated eloquence while addressing the popular masses, with the experience gained at Zvezda "North," he repeated the slogans about the "holy Serbian land" and the "heart of Serbia." As a hardened warrior for a United Serbian State, he came to the very place where he himself says that he first fell in love with Sloba, in order to repeat all the same promises already made to the local people by the current government, albeit with a somewhat more elevated tone and racy vocabulary. Milosevic promised the people that no one will be allowed to beat up on them, while Arkan announced that he would beat up on everyone who is disobedient.

Judging from the ambitious job that he has set out to do as deputy, including the absolute introduction of order to Kosovo and a definitive showdown with traitors to Serbhood of any color and shape, Arkan will certainly heat up the deputy's bench, firmly believing in his own authority, which he has demonstrated in the past as one of the leaders of the underworld, a fan leader, and a commander of volunteers. Unfortunately, if we are lucky and the sanctions are lifted, Raznjatovic will not have the opportunity to participate personally in a delegation of Serbian members of parliament visiting their foreign colleagues, because he could experience unpleasantries on the way due to mistakes made in his youth. But at least he has seen enough of the wide world not to be upset that he is now unable to represent his fatherland in a way different from the way to which he was previously accustomed. After all, even from here he can be loud enough in replying to Lawrence Eagleburger, who considers him a war criminal, by saying that that pretentious American is "one of Tito's Pioneers," and to Clinton by saying that "he should not interfere in our elections, because we do not interfere in theirs."

No one has the right to be angry that times have arrived in which people like Arkan thrive. Today, his name is uttered in a semi-whisper, with awe. He was a legend with an inaccessible biography, and history teaches us that precisely this sort of person becomes very problematic when he begins dabbling in politics.

Neighborhood Leader in Game of "Cops and Robbers"

Zeljko Raznjatovic Arkan had all the predispositions for growing up to be a dangerous young man. A Montenegrin by origin, an only son, the fourth long-awaited child of an officer, he rebelled against conventional norms of conduct even in his early youth. He himself says that he was driven to the streets by the typically Montenegrin type of upbringing that his father tried to apply to him. So it was not long after he wrested free from his father's control that he was calling certain other people "dad," including Stanko Colak, a high-ranking official in the then-powerful federal SUP [Secretariat of Internal Affairs]. Like the thousands of petty Arkans whom the streets bring forth in every generation, Zeljko too began with theft and burglary, and in this way soon ended up at the juvenile delinquency division of the city SUP. The inspectors who had dealings with him at the time (and these are people who followed his entire developmental course by moving around within the service, only to witness his departure for the front as retirees) say that he was unusually strong for his age and as agile as a top, never dirty or slovenly, always clean and properly dressed. In their first encounters, he confused them. During one of the first arrests, at the age of 14 or 15, two inspectors found him in a Cubura pastry shop. Without enough experience, they thought that taking this boy in would be a routine matter. But the boy resisted stubbornly, slipped away, and deftly escaped until the policemen realized that in his case they would have to apply treatment intended for much older delinquents.

"If he had gone out for any sport, he certainly would have achieved extraordinary results. That was just the way he was—capable of anything," one of the doyens of the Belgrade police, a man who followed Arkan's course of development from childhood, said many years later.

Thus, early on Arkan ended up at the Krusevac house of correction, but soon thereafter he went abroad. First to London, and then one place after another. On the rare occasions when he has been willing to talk publicly about his past, about which he says that it is exclusively his own business and that he is not ashamed of it, he has interpreted his leaving the country as the desire to expand his horizons, to escape the local stifling hellhole. From the dispatches that the local police began receiving very soon after his departure from Yugoslavia, it became clear that Arkan abroad was continuing to improve on what he had begun in Belgrade. Generally, the Belgrade police simply added these dispatches to his file, if necessary notifying foreign colleagues that this is a documented delinquent. When Arkan matured into an exceptional criminal, domestic prosecutors were simply glad that he was wandering around abroad and that they learned of his activities in a purely informational sense from those dispatches. The rule was that they dealt with what was happening on the streets of Belgrade, and as long as Raznjatovic was elsewhere, he was not their concern.

Banks Treated Like Self-Service Stores

Information on Arkan's record as a robber is incomplete. One of the few people to comment publicly on Zeljko's skill and to testify that Arkan robbed more European banks than any other Serb was Goran Vukovic, the

murderer of Ljuba Zemunac, a man who thus far has escaped repeated murder attempts:

"Of all of us, Arkan robbed the most banks: He walked into them almost like they were self-service stores. No one can quarrel with that fact about him. I don't know about politics, but as far as robbery is concerned, he was really unsurpassed. That is all he has done his entire life. Banks were his specialty, as well as spectacular escapes from prison. He managed to escape from the same prison two or three times. He even escaped from the Germans. He liked to act like the boss, although there was no way he could measure up to Giska. If he is a killer, then a killer is what he is: skilled and competent. However, Giska was incomparably more intelligent, cultured, and honest. He did not allow any power to manipulate him, while Arkan was simply forced to accept many unpleasant things," Vukovic said.

Ever since Arkan emerged full force as a public figure, there have been many attempts to reliably reconstruct his past as recorded in numerous police files scattered all over the world. Plenty of Arkan's "biographers" have been taken in by intentionally distributed false information and facts. Some have unnecessarily added fabricated chapters to his already profuse career. It is utterly incontrovertible that several so-called red Interpol circulars have been posted for him, which expire only after twice as much time as the punishment provided for the committed criminal act has passed. As far as these circulars are concerned, Arkan is completely safe here, because no country is obligated to extradite its citizen to another on that basis. War crimes, however, are a different matter entirely, and in the meantime Arkan has acquired that reputation in the world as well.

International Fame from Period of Temporary Work Abroad

What is utterly reliable in Arkan's "bibliography" can be read in Case XII K, No. 851/86, First Opstina Court of Belgrade, where Raznjatovic was last sentenced some seven years ago. That record states that "Zeljko Raznjatovic, aka 'Arkan,' father Veljko and mother Slavka nee Josifovic, born on 17 April 1952 in Brezice, SO Brezice, living at Ulica Ljutice Bogdana No. 3 in Belgrade, Montenegrin, citizen of the SFRY, worker, working under contract part-time at the 'Amadeus' club in Belgrade, married, the father of three underage children, completed Advanced Hotel and Catering School, did not serve in the military, listed in the VZ [Community Council of the Municipal Assembly] of SO Palilula, sentenced by verdict of the Fifth Opstina Court in Belgrade K. 1510/72 to a prison sentence of six months for the criminal act of theft based on Article 249, Paragraph 1 of the Penal Code, also sentenced as a minor by verdict of the Okrug Court in Belgrade Kz. No. 135/69 to serve a three-year term in juvenile prison based on Article 69 of the Penal Code, sentenced by a court in Brussels, Belgium by a verdict of 18 December 1975 to 10 years in prison for armed robbery, and sentenced by a court in Amsterdam, the Netherlands by a verdict of 7 May 1980 to seven years in prison based on the criminal act of robbery in connection with banditry."

In the meantime, some of the cited facts from 1986 have changed, but the facts cited in the file are eternal and indelible. Also in circulation is information to the effect that Arkan moved around the world under pseudonyms and with forged identity papers. Reportedly his identity was concealed under the names Betega, Valentini, Djordje Rolovic, Marko Vukotic, and others. Aside from the noted robberies in Belgium and the Netherlands, there are also the burglaries in Sweden, where he and his group broke into banks and apartments. It is known that he was a smooth operator in escaping from prison. After robbing the "Lambert" bank in Brussels, he was sentenced to hard labor, but he very quickly granted himself a pardon by escaping. He reportedly spent some time in the Dubrovnik area, and then set out on new raids in Sweden, the Netherlands, and Germany. He was arrested while robbing a jeweler in downtown Frankfurt in 1981, and he ended up in the hospital because of an injury inflicted on him by a German agent through a blow to the head, which resulted in a brain concussion, but he soon escaped from there as well. Mention is also made of a spectacular showdown with Swedish police in 1984 and his accidental capture at the Austrian-German border a couple of months later at the end of 1986, which is notable as the year of Raznjatovic's final "retreat from temporary work abroad."

Stories of Arkan's spectacular escapes from the most secure prisons have been retold around Belgrade. It is known, however, that such a thing cannot be executed without outside help, regardless of how good a shape the prisoner is in. Reliable sources, former UDBA [State Security Administration] officials, told me that a working mechanism exists for springing their people once the news has come that one of them has "fallen." Most of all, money is essential.

Mustafa Golubic Among Serbs for Second Time

It is assumed that Raznjatovic began working for the SSUP [Federal Secretariat for Internal Affairs] early on. Stories have been circulated to the effect that his father got him that job by asking Stane Dolanc to "join" him in order that his unruly son expend his surplus of energy, skill, and intelligence usefully. However, insiders say that Veljko Raznjatovic, a retired air force colonel and veteran of the First Proletarian, gave up on Zeljko early on, and that he even divorced his wife because of his son's mischief. Nevertheless, Arkan had close relations with certain of Tito's generals, including Jovo Popovic, with whose son Misko he was good friends. Many people believe that the then-powerful Gen. Jovo Popovic is largely responsible for Arkan's physical and mental condition.

Whatever the case, Arkan turned up in Belgrade at some point with much more self-confidence than he had when he had crossed the border as a boy. He wore a white suit, was a passionate frequenter of gambling houses, disco

clubs, and night spots, trying to present himself as a new Mustafa Golubic. One could only speculate about his merits. But he also behaved like a responsible citizen of Belgrade. He was the terror of gambling houses of that time. When he won, he demanded that the money be paid to him. When he lost, he showed the croupiers his pistol instead of his chips. With time, thanks to him, a complete ritual in relations between the Belgrade and federal police emerged, consisting of the following: When the Belgrade police took Arkan in, they counted the minutes that went by until the SSUP intervened, and guessed at who would come "get" him this time. Most often it was Srdan Andrejevic and Stanko Colak. It is known, however, that Stane Dolanc himself did not shun this task either.

Two Parking Tickets and Visionary Prophesy

This happened in the early 1980's. Arkan was once taken in by the city SUP because he had arrogantly parked his car right in front of the entrance to the used-car market at Bubanj Potok. He sat in the car and did not pay the least bit of attention to the warning by traffic policemen to move the car. Instead, the patrol was attacked by two companions who were with him in the car, who used their pistols. They fled, but Raznjatovic was taken to the SUP, although he showed identification from Montenegrin DB [State Security], for the purpose of determining the identity of the assailants. The Belgrade police say that Arkan was the epitome of civility whenever he was taken in. He always willingly agreed to this game, only occasionally warning that "dad" would bring charges against them, although there was no need for that, because "dad" always found out about everything in time. Moreover, Arkan always responded to every invitation by inspectors to come in for an "information talk." During that time, the chief of the criminal investigation department was Tomislav Jeremic, while the chiefs of the operative divisions were Mele Jovanovic, Spiro Otesevic, and Petko Zoric, with their also well-known colleagues, Nocovic, Bizic, Andjic, Rade Markovic, and others. All one had to do was to leave a message that he come to his mother's house, and he would obediently appear. The inspectors with whom he cooperated and who over the course of time developed a proper relationship with him say, however, that he was never really that useful to them. He never agreed to inform on anyone else, nor was he willing to recall to them events where he was present as a witness. That was the case this time as well. In vain the chief of the city SUP at the time, Mele Jovanovic, asked him to say who the two men were who had attacked the patrol. Very soon, the telephone rang and a policeman from the main entrance informed Jovanovic that Stane Dolanc, at the time the newly appointed federal secretary for internal affairs, had just entered the building. Jovanovic said something to him about getting better eyeglasses, accusing him of hallucinating. But then the phone rang again. This time it was the city secretary, informing him that Dolanc had come personally to take Arkan home. At that time, it was more than adequate for Dolanc to intervene by telephone. His personal appearance indicated major services or major sympathy, or perhaps both.

Another time, Arkan parked a car right at the entrance to the "Metropol" and left to gamble in the company of Gen. Kapicic. A security officer asked him to move the car, but Arkan scornfully chased him from the table. Then the chief of the city SUP firmly ordered that this be done immediately, because otherwise he would personally come and teach him a lesson. Arkan obeyed, but at the hotel exit he embraced the officer who had brought him the message and said, literally, "Why are you all so committed to that chief? Don't be surprised when I become a national hero one day." The dilemma remained—was Arkan clairvoyant, or was he thinking of his prior merits?

Promotion From Federal to City SUP

Among the hard-working people of the Belgrade underworld, he was renowned as the boss with a refined sense of justice. In their quarrels, it is said, he always passed judgment impartially. Aside from his occasional tendency to fleece some of them for money when he lost at gambling, after which it did not occur to him to return the debt, he liked to play the role of protector. In late 1981, for example, the police arrested Miroslav Djordjevic Bombona and Slobodan Kostovski at the Belgrade airport as they, accompanied by a UDBA agent, attempted to fly to Frankfurt. At the time, Bombona was wanted by the city SUP, so that a local search had been announced. After a couple of hours, the phone rang in the apartment of Chief Mele Jovanovic, who was resting after a sleepless night. From the other end of the line, the flustered voice of the officer on duty at the airport police station awoke the chief, explaining that a colleague was anxious to talk to him concerning an important matter. The chief was dressed down at the other end of the line by Arkan himself, who insisted that his two "colleagues" who had been taken in be released, because they had urgent and pressing business abroad. The on-duty policeman was severely rebuked, even though he justified his actions by saying that Arkan had shown him identity papers from the federal SUP. However, Arkan was then taken in as well.

Policemen from the city SUP at the time contend that despite the efforts that he made, Arkan clearly did not attain the type of position that he had at the federal SUP. "Dad" Stanko Colak went to then-city secretary Mile Rajkovic to complain about the chief and his service, who were "mistreating" his protege by repeatedly taking him in. The secretary rejected the charge at the time. All indications are that Arkan was taken in only by Miroslav Bizic, and it is also said that he was the only one who beat him. When Bizic was later forced out of the police and opened a private agency, Arkan slandered him all over town by saying that he [Bizic] himself was organizing car thefts in order to find them later and charge a hefty fee for the service. Lately however, rumor has it that customers with references from Arkan have been

turning up at Bizic's agency, which indicates an unexpected turn of events. Unless there is no connection with the story that Bizic is returning to the police.

Much has changed since the period when Arkan was treated by the city SUP like all the others of his kind, because Belgrade policemen of that time contend that they were not very impressed by stories of their federal colleagues who openly admired him and loudly praised his loyalty, confidentiality, talent, and accuracy, judging from some indications. Eyewitnesses say that now Arkan enters the city SUP building as if it were his own pastry shop.

Acquisition of Necessary Spots on SSUP Housing List

Besides the noted cases of arrogant behavior on the streets of the city, Arkan committed only two major excesses in Belgrade. The first happened in early November 1983, when he wounded, in his apartment, two policemen who had come to take him in. Raznjatovic had moved into the apartment a year earlier. This was a three-room apartment that he got, according to Decision No. 46482/1 of 22 November 1982, on the basis of Article 40 of the Regulation on Resolving the Housing Needs of SSUP Workers, signed by then-assistant secretary Mirko Bunevski. The justification for the decision states that "in deciding on the allocation of housing to the person in question, consideration was given to all facts and circumstances affecting the allocation of housing, especially the republic that he represents and the personnel needs of the SSUP."

The two policemen set out to get Arkan in a manner that turned out later to be rather clumsy and naive for a criminal of his stature. Arkan contended that he had no idea that they were policemen and that from their faces it seemed to him that they might be Albanians, with whom he has a bad reputation. However, experienced policemen think that these two served only as practice for him, because if he had really suspected that that kind of danger awaited him, they would have had no chance of getting out of it alive. This time as well, the SSUP intervened. It was necessary to somehow convince the families of the wounded policemen not to press charges. One father agreed readily, but the other would not even consider not pressing charges against the assailant who had crippled his son. When everything got to court, the verdict was putative self-defense.

When Arkan and his family moved to a house near the "Zvezda" stadium in mid-1985 that was bought in his wife's name under unusually accessible conditions, thanks to a favorable loan from Beobank, it became clear that Arkan's price was rising. The liquidation of Stjepan Djurekovic is attributed to Arkan, and this untrue rumor provided Raznjatovic with a cover for a large number of things. Foreign police files could only state that there is a well-founded suspicion that he, under orders from the then-powerful Yugoslav UDBA, did this or that, but not that this is clearly established. Whatever Arkan has done around the world, it is a fact that he has received much more credit than others have.

1986 House Inventory

In early 1986, Arkan beat up a certain Predrag Djajic in an elevator. It turned out that he was nervous because he had lost a lot of money gambling that evening. Once again the federal SUP did everything it could to clear Arkan of responsibility, while the city police tried to get as harsh a punishment as possible for Raznjatovic. The court decided on a middle variation: He was given nine months in Padinska Skela prison. After appeal, the sentenced was reduced to eight months, but the court denied a demand for special mitigation of the sentence in which it was alleged that Arkan was taking care of his seriously ill father and that his wife had fallen into a deep depression following his arrest. The court ruled that "the social danger of the criminal act" did not allow mitigation of the sentence that was handed down. During a search of his house, an entire arsenal of weapons was found—hunting rifles, automatic rifles with sniper-scopes, two Magnums, hand grenades, ammunition, and gun licenses issued by the Cetinje SUP. Also found were various identification cards issued in France and Italy, foreign driver's licenses, 11 passports from nearly every European country, including a U.S. one, a diplomatic passport, and six press passes. Some gold and foreign exchange was found, as were seals with the signature "Casino Sveti Stefan, Raznjatovic Zeljko, director." At his trial, Raznjatovic said openly that he worked for the SSUP and that he had gotten the weapons for 13 May, Security Day, but that "the reason is not important." According to the Regulation on SUP Employment, however, a policeman cannot become a person sentenced for criminal acts, but Arkan did not fit into this category. He was simply an employee of the service. By definition, an employee is a person who performs the job assigned to him conscientiously, in accordance with the functions of the service, and on his own initiative.

The arrival of the multiparty system to the Serbian political scene divided the underworld as well. Criminals too were divided into position and opposition. Arkan leaned toward the former. In an analysis of his actions from Slobodan Milosevic's assumption of power to the present day, there is too much support of or loyalty to the regime, demonstrated in one way or another, for it to be a mere coincidence. He himself has acknowledged that he was a regular attendee of all of Sloba's rallies. He has said that he was even arrested at the big popular demonstration before the SFRY Assembly when Sloba promised that Vllasi would be arrested, because people from security thought he was suspicious. Arkan was also known early on as an ardent "Zvezda" fan, but as fate would have it, he became a real leader of troops a little before the first elections in Serbia. One day he appeared on the reserve players bench. Legend has it that here, under the "Zvezda" roof, he met then-Serbian police minister Radmilo Bogdanovic, who was a member of the club's management. Although the two of them disavowed any closer contact, it is known that Arkan quite

openly and amicably offered to Bogdanovic his services in dispersing the first opposition demonstrations on television in June 1990. Bogdanovic reportedly thanked him for the offer, but Arkan is seen, together with members of the MUP [Ministry of Internal Affairs], attacking demonstrators. It is also known that the then-Serbian police minister complained openly during the 9 March demonstrations about how Arkan was "in a Croat prison."

Arkan performed his first assignment irreproachably: to dispel party leaders, especially Duke Voja, who was launching a serious assault in Marakan. It all began when Seselj, with a group of similarly minded people, tried to attend a "Zvezda" match, but was prevented from doing so by security. A number of fans then left the stands in protest. That was when loud calls such as "out with management" began, with special reference to Radmilo Bogdanovic, who was indirectly accused of expelling Seselj, but also to other national leaders. At the time, all the parties were very much interested in gaining the fans' sympathies, either because of the good advertising that would be heard from the stands or because of the considerable number of votes in the hands of soccer fans.

However, Arkan intervened resolutely, ostensibly justifying this by the fact that having politics at the stadium would divide the fans. Eyewitnesses say that during a meeting between him and Seselj at the "Ruski Car" cafe, the dialogue went as follows:

"Do you know who I am? Do you know how many people I have killed for the fatherland?" Arkan asked.

"No, I don't. I have not killed a single one, but I will begin with you. I will strangle you with my bare hands," Seselj responded.

The quarrel over fans left behind serious consequences for their interpersonal relations, although they later made up over the grave of a dead soldier. As things stand now, Arkan—because of pangs of conscience due to his previous wrong assessment—has presumably taken the initiative in the game of ingratiating himself with Seselj, taking advantage of every opportunity to express his admiration for this confirmed "patriot" and to set some ministerial post aside for him, while Seselj, when asked about Arkan, remains rather reserved and at a distance. Eyewitnesses even say that the duke is not the least bit enthusiastic when the commander visits him. The duke is probably very vengeful.

First Patriotic Imprisonment

After successfully performing his test job and establishing order at Zvezda "North," Arkan was given more serious assignments. Suddenly, in late August 1990, Zeljko Raznjatovic, together with five friends or acquaintances, was arrested in Dvor na Uni. They had the "honor" of being condemned as a terrorist group for attempting to overthrow the SFRY, and especially the newly enthroned, young Croatian democracy under the freshly written Croatian criminal code. Initially characterized as the main terrorist and organizer, Arkan was treated in the indictment as the number four defendant. After six months' imprisonment in "Remetinac," Artukovic's former prison, following a ruling in which he was sentenced to 20 months in prison, Arkan was released. He was personally escorted from the prison by the warden, even though it was his day off and Arkan was to return to Belgrade in a private, rented airplane accompanied by friends. It is said in Belgrade that he was freed from prison by Mossad.

Arkan said nothing in his defense at the trial, because that is what his lawyers advised. At the inquiry, however, he said that he met the first defendant, Milos Bandic, in Belgrade at his bar, where the latter was gathering aid for TV Knin. According to Arkan's admission, Bandic bragged about how he was a Chetnik duke, and Arkan agreed to go with him purely for the adventure. Afterwards, Bandic informed him that one could not got to Knin unarmed, and that Vuk's and Seselj's people had previously threatened to kill him because of the clash over the soccer fans, so for that reason he bought a pistol and submachine gun from an unknown person for 3,500 marks. Arkan also said that Bandic had told him that they were going to Knin for a meeting of some sort of war council, that he had offered his traveling companions black knit caps with some sort of emblems, and that in the car he wanted to hear Chetnik songs, which Raznjatovic would not allow. Arkan also described the meeting of the war council and the discussion concerning lifting the barricades at Dvor na Uni, denied that he was asked to take his "troops" to those barricades, and explained that up to the time when they were arrested, he had not been involved in any of the first defendant's business. Upon release from prison, he said that everyone treated him decently there. He then promised publicly to withdraw to a peaceful life, to his family and business. That was mid-1991.

It was not long before Arkan was at the front in eastern Slavonia, in the role of commander of the Serbian Volunteer Guard. Referring to his days in prison in Zagreb, he asserted that the Croats released him because they had no idea whom they had their hands on, because even at that time he had a sizable guard force and was unselfishly helping the people of Krajina. Intelligence officers who have returned from Croatia in the meantime have testified, however, that the local authorities knew very well who Arkan was. Prior to Arkan's volunteers, the first to show up at the eastern Slavonian front were Jovic's fighters from the former "Dusan the Great" detachment. Then Giska and his guard tried to cross the Danube, but they were turned back by Serbian police. Arkan was released, but afterwards he bad-mouthed Giska for waging war around Kosutnjak. Arkan was in Tenja for a short time, on the front line toward Osijek, only to transfer to the former territorial defense headquarters in Erdut, which at the beginning of the war had been used by members of the ZNG [Croatian National Guard Corps] until the JNA [Yugoslav People's Army]

drove them out in early August. Unlike the majority of the fighters, typical chubby Slavonians who melted away at the front, it appears that being in fresh air and in war suited Arkan so much that he gained quite a bit of weight. Running headquarters at Erdut together with him was Radovan Stojcic, aka Badza, who is now the deputy republican minister of internal affairs. Unlike Badza, who always stayed on the sidelines, Arkan beat the drum for every campaign and move. However, eyewitnesses say that the two of them were often in the office of the then-commander of the Novi Sad Corps, the late Gen. Bratic, and that they acted submissive toward him.

His fighters were irreproachable in posing for the numerous journalists hanging around. Arkan did not even shrink from organizing the delivery of cakes from his pastry shop to the front in order to brag to everyone about how much the people in Slavonia love them, and thus to plot against them. Everyone was very pleased by his joke that he would open a pastry shop on Jelacic Square in Zagreb, and it was quoted ad nauseam. Suddenly realizing that he was no longer obligated to hide and remain silent about the new types of patriotic undertakings, Arkan talked, explained, threatened, and bragged like a mute man who gains the power of speech over night. He explained that Serbia is not some sort of Santa Claus with presents to give anyone, that Zadar, Split, and Sibenik are Serbian cities that were forcibly settled with a Catholic population.... Not waiting for court directors to come film new versions of "Sutjeska" and "Neretva," Arkan shot a propaganda film about himself after only a few months at the front, alleging that it was an authentic combat film. Those better informed about military skills assert, however, that it contains plenty of staged celebrating and posing. Nevertheless, they are full of understanding for this need of Arkan for self-praise. Only a few people, if any, knew about his services for the former homeland, and one of the main witnesses is now a citizen of a foreign state, and is moreover somewhat senile. Arkan has never dared whisper a word about these exploits, but it is certain that he has wanted to on countless occasions. No matter what the cost, he was not willing to miss the opportunity offered to him this time to publicly depict all his fearlessness and bravery, to get it through everyone's head even before it found its way into the history books.

Atanasije's Voice in the Wilderness

Arkan did well with the job entrusted to him in Slavonia. He simply had to play the honest, well-groomed and perfumed, brave, clever, and courageous Serbian fighter, who will constantly tweak the nose of the unreliable and clumsy JNA, but all for the purpose of improving the combat morale of the same. He drove crazy ideas out of their heads, to the effect that they "were not ready for civil war" and "did not know how to fight part of their own misguided people," while his continuous name-calling and insults regarding their incompetence finally roused enough vanity among the officers for them to suddenly begin fighting like men. As Gen Vasiljevic has testified, Raznjatovic arrogantly entered the SSNO [Federal Secretariat for National Defense] building, armed to the teeth. All the officers, including even the head of the KOS [Counterintelligence Service] were obligated to show their pass and weapon to the on-duty officer at the entrance, but that did not apply to Arkan. Only once did the on-duty officer try to stop him, whereupon Raznjatovic showed him his fist and explained that that was his pass. When visiting some Syrmian cities, he traveled by military helicopter, setting down in the very center of town.

Even before he achieved wartime glory, Arkan was trying to influence public opinion about himself. Thus, on one occasion he stormed into the editorial office of NIN, which had published some article about him that was not to his liking, and severely warned those present not to repeat that sort of thing. The alibi that he acquired at the front, however, allowed him to do much more later on. Last year, on a special Studio B broadcast "From Gossip to the Truth," some "nonpatriot" asked whether it was true that the police had closed off the street in front of Arkan's house for security reasons. It did not take long for Arkan to call in from Erdut. He was not interested in hearing any explanation; he simply said that his mother had told him that he was being spat at on Studio B. "If my mother tells me one more time that you are teasing me, then you will have me to deal with. Have you no shame? While I am bleeding at the front, you are fabricating lies."

Trying to adopt the image of the ideal Serb—a patriarchal family father, successful businessman, patriot, and purebred Orthodox, Arkan launched a merciless assault on the Patriarchate. Aggressively flirting with religion, he first conquered the Slavonian eparchy and became the great protector of Bishop Lukijan of Osijek-Baranja. Last year on Christmas Eve, he appeared in the role of bodyguard for Amfilohije in Cetinje. Amfilohije later explained that the church is obligated to receive anyone who comes to Christmas Eve, and that Arkan is a native of Cetinje. As the self-proclaimed protector of Orthodoxy, however, Arkan went even further, and on 9 March of last year appeared before the Patriarchate with the intention of becoming the personal bodyguard of the patriarch himself. Atanasije's reaction was resolute: He asked Arkan to leave, explaining that the latter "cannot be the emblem under which the Serbian patriarch goes to St. Sava's Church." After a big stink was raised about this, Atanasije repeated his position in a later clarification of his reaction: "My remark was clear—Arkan cannot be the patriarch's patron and his emblem. I never questioned the fact that Arkan is defending Serbs, but he is not the only one. Arkan is a fighter where that is needed, but Stanoje Glavas was also a hero, and when they wanted to elect him leader of the rebellion he said, 'Not me, I am a guerrilla fighter.' And they elected Karadjordje."

From Black Legend to Parliamentary Immunity

In fact, Arkan is only seeking his rehabilitation, and his desire to push the past aside and create for himself a new image is so insatiable that it cannot be moderated. It is not easy for him. He used to get money for the job he did, but now he wants respect and admiration. If not by grace, then by force. He thinks that if he succeeded in establishing order at Zvezda "North," then he can do the same with the disobedient Serbian people. With patriots he will personally pin the Obilic Medal to their chests, while with traitors he will whip their behinds.

In early April 1992, Arkan and all his fighters were in Bijeljina, and immediately thereafter all leading world newspapers published a photograph of soldiers with the SDG emblem killing and kicking the corpses, and the whole world raised an outcry about how Serbian paramilitary units were carrying out aggression against Bosnia-Hercegovina. The Serbian leadership justified itself, and Dragoslav Bokan, the leader of the "White Eagles," was arrested, but Arkan disappeared from public view for a certain time.

Indeed, the "cleansing" campaign, which is the SDG specialty, presupposes "combing through" every house in an inhabited place, whereby it is not unusual for innocent civilians to suffer as well. The rule, more or less, is to shoot first and then see who is who, whether they are armed and, whose uniform they are wearing.

Be that as it may, after a certain time Arkan, with a boyishly innocent face, turned up at an auction in the "Metropol" hotel, organized to help the families of all fallen fighters. On that occasion, he acknowledged that he has no intention of justifying himself to anyone, nor does he fear anything, with the exception of his wife, who is his only boss. With the people, things are reversed. Many serious and influential people asked me not to link them with Arkan in any context, generally explaining that they have children, a family, and that they do not want any problems. Especially now that he has become an respected member of the establishment. He has a pastry shop, he has opened a currency exchange office, a private detective agency....

A pity, I think. He had the chance to become a legend. He readily agreed to trade in the image of a fearless robber of extraordinary caliber, the terror of every police force in the world, the big boss of the underworld who always knew how to take as much as he needed, honorably, with a revolver in his hand, in favor of the image of a sycophant to figures under whose patronage he can flourish without risk. In this exchange, he has lost out twice.

Macedonia

President on Danger of War Spreading to Country

AU2003190193 Vienna DER STANDARD in German 20-21 Mar 90 p 4

[Interview with Macedonian President Kiro Gligorov by Dusko Dimitrovski in Skopje; date not given: "The Danger of War Is No Invention"]

[Text] [Dimitrovski] Mr. President, what do you think about the suggestion made by some European states to call Macedonia "former Yugoslav Republic of Macedonia"?

[Gligorov] For many reasons, the proposal is unacceptable for us. Above all, we are not "former." Macedonia has become sovereign by legal means. According to all international rules, we have met the requirements for recognition. "Former" sounds really grotesque. Therefore, we cannot accept the proposal to be temporarily called "former Yugoslav Republic of Macedonia."

[Dimitrovski] What do you think about the fact that Greece disputes the republic's right to call itself Macedonia?

[Gligorov] We think that borders should be mutually respected. We have no territorial claims on Greece. We do not see any rational reason for the stance adopted by Greece, which stubbornly rejects the name Macedonia for our country. We depend on each other geographically, economically, and culturally.

[Dimitrovski] What are the relations between the nationalities in Macedonia—the Macedonians, Albanians, Turks, and Walachians?

[Gligorov] There have always been several nationalities in Macedonia, and civil war has never had a basis here. In other words, the nationalities do not wish to live in individual ethnic communities. The most important thing for us is to live together peacefully and discuss our common problems. Our government consists of equal representatives of all nationalities.

[Dimitrovski] Do you believe that the civil war in Bosnia will end soon?

[Gligorov] Every war, including that in Bosnia and the other one in Croatia, comes to an end eventually. However, whether lasting peace will be created in the Balkans depends on the fulfillment of some conditions, including, in addition to a cease-fire in the war areas, the prompt recognition of the Republic of Macedonia and a solution to the problems in Kosovo.

[Dimitrovski] What are the relations between Macedonia and Albania and Turkey like?

[Gligorov] Our relations with Albania are good. One could also say that the Macedonian-Turkish relations are good, in particular following Turkish President Ozal's visit to Macedonia. The ties between our two countries are based on the large number of former Macedonian citizens who resettled in Turkey and the Turkish minority in our republic.

[Dimitrovski] To what extent does the blockade against what is left of Yugoslavia harm Macedonia?

[Gligorov] Considerable harm has been done. Traditionally, Macedonia was economically connected with Serbia. Even though we were promised compensation, nothing has come from the United Nations. The situation will become more difficult, since Greece has exerted pressure on us, and we cannot divert the traffic via Albania and Bulgaria because the roads in these countries are too bad.

[Dimitrovski] Is a war also imminent in Macedonia?

[Gligorov] The danger of war is no invention; it is real as long as the war in Bosnia continues. We are doing everything to prevent the war from spreading to us. An internationally recognized, sovereign, independent Republic of Macedonia is—or would be—a strong factor of peace in the Balkans and Europe.

Montenegro

Humanitarian Aid Contains 'Unusable' Medicine

LD2303103193 Belgrade TANJUG in English 0939 GMT 23 Mar 93

[Text] Skopje, March 23 (TANJUG)—Enourmous quantities of medicine whose expiry date had passed have been found in humanitarian aid packs sent from abroad, especially the United States, to the former Yugoslav Republic of Macedonia, said the Skopje-based pharmaceutical service in charge of control and distribution of medicine. Some humanitarian aid deliveries contained as many as 80 percent of unusable medicine, the same source added. It did not specify the total quantity of medicine delivered to Macedonia so far. But, it said, the large quantities of ecologically harmful substances in such medicine had raised the problem of their disposal.

Bulatovic on Yugoslav "Reintegration"

PM2203122093 Paris LE QUOTIDIEN DE PARIS in French 19 Mar 93 p 14

[Interview with Montegnegrin President Momir Bulatovic by Christophe Urbanowicz in Paris; date not given]

[Text] Montenegrin President Momir Bulatovic said in an interview to LE QUOTIDIEN that he wants a "reintegration" of the former Yugoslav republics on economic bases. This is a process in which Montenegro proposes to play a "bridging role."

The Serbian guns are still thundering out in Bosnia-Herzegovina but, in Paris, Montenegrin President Momir Bulatovic is already talking of "the postwar and post-peace period," while calling for an easing of the embargo which is fully hitting his country, one of the two states, with Serbia, forming the new Yugoslavia. Despite the horrors of the war, "we will be able to live together," the young (36-year old) Montenegrin leader said during his visit to France. He cites as proof of this the fact that "despite Jasenovic" (a death camp for Serbs established by Ante Pavelic's Ustasha state during World War II), Serbs and Croatians overcame their hatreds to create the second Yugoslavia.

The war started on the ruins of Tito's Yugoslavia, and peace will return with the reestablishment of ties—starting with economic exchanges—among the former Yugoslav republics who, aside from Macedonia, have become independent, Mr. Bulatovic thinks. "Croatia cannot live as an independent state, its economy is oriented toward Bosnia-Herzegovina and Serbia, it depends on Belgrade for its energy. It has realized its ancient dream of having an independent state, and when it understands that it cannot live without the others, Yugoslav reintegration will be possible," the Montenegrin president said.

For him "Serbo-Croatian relations are the key not only to this reintegration but also to the Balkans." Hence the need to give priority to normalizing them—a process in which the little republic of Montenegro proposes to play a "bridging role." "Our strategy is to enable the Federative Republic of Yugoslavia to resume its place on the international stage and to ensure that it is a major contributory factor to peace." In accordance with this, Mr. Bulatovic "supports the Vance-Owen plan, the only possible solution, although far from being the best, but no peace has ever satisfied all the warring factions."

Although he does not approve of the dream of a greater Serbia and states that "Montenegro will not join in any process to reunify the Serbs of Bosnia and Croatia with Serbia," Mr. Bulatovic thinks that it is necessary "to guarantee equal rights for the Serbs living outside Serbia" with the majority ethnic groups and to "grant them dual nationality."

Pending this "fourth Yugoslavia," which is at present very theoretical, and which President Bulatovic, who was elected for a second term last January, seems to want, the little republic of Montenegro (600,000 inhabitants) has to face an unprecedented crisis. The number of refugees reaching this poor mountainous country is 12 percent of the total population, of which 2,500 are Muslims from Bosnia-Herzegovina. "The whole country has become a huge black market," under the effect of the sanctions imposed by the United Nations on the new Yugoslavia. This is what Mr. Bulatovic explained to President Francois Mitterrand during their meeting at the Elysee on Wednesday [17 March] before flying yesterday to Britain which is also a member of the Security Council.

Kosovo

Serbian Soldiers Reportedly Deployed in Malisevo

AU2203163993 Pristina KOSOVA DAILY REPORT Nr. 56 in English 22 Mar 93

[Unattributed report issued by the Democratic Alliance of Kosovo: "Hundred Serb Soldiers Stationed at a Village of Malisevo"]

[Text] On 14 March a Serbian military detachment was deployed at the Ljazice village of Malisevo, central Kosovo. Around 100 soldiers have been stationed in the vicinity of the village school. They have been seen recording and observing the terrain.

The residents of this and surrounding villages grew alarmed fearing the worst. The bulk of the pupils of this village are not going to school, as the Serbian soldiers are stationed very close to the local school premises.

Police Deport Albanians to Decani

AU2203164693 Pristina KOSOVA DAILY REPORT Nr. 56 in English 22 Mar 93

[Unattributed report issued by the Democratic Alliance of Kosovo: "Montenegrin Police Deports Albanian Refugees of Slav Origin"]

[Text] Two years ago, some 1,670 Albanian citizens of Slav origin moved to Montenegro. The Montenegrin and Serbian officials said at the time that they were ethnic Serbs and Montenegrins. A number of them returned back to Albania in the meantime, whereas a number of them were forcibly settled in Kosovo, in the town of Decani, southwestern part of Kosovo.

As reported, 160 emigres had not accepted to move away from Montenegro, even though they had undergone threats.

Saturday's [20 March] Serbian newspaper BORBA reports that the Montenegrin police forcefully deported last Thursday those emigrants to Kosovo, respectively to Decani. A number of them was reported to have been sent back to Albania.